DOCUMENT RESUME

ED 243 977 UD 023 327

AUTHOR	Wolf, Wendy C.; And Others
TITLE	Ventures in Community Improvement. Final Report of the Demonstration.
INSTITUTION	Public/Private Ventures, Philadelphia, PA.
SPONS AGENCY	Employment and Training Administration (DOL), Washington, D.C. Office of Youth Programs.
PUB DATE	Mar 82
CONTRACT	99-8-1352-38-1
NOTE	136p.
AVAILABLE FROM	Public/Private Ventures, 399 Market Street, Philadelphia, PA 19106 ($7.00; in quantity, $6.00).
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	*Building Trades; Community Benefits; Cost Effectiveness; Demonstration Programs; *Disadvantaged Youth; Dropouts; *Job Training; *Neighborhood Improvement; Program Descriptions; *Program Effectiveness; Program Evaluation; *Skill Development; *Urban Improvement
IDENTIFIERS	*Ventures in Community Improvement Project

ABSTRACT

The development and operation of the Federally funded Ventures in Community Improvement Demonstration Project (VICI) and its impact on participant youths and communities are summarized in this report. VICI's purposes were (1) to provide young, minority, inner-city, high school dropouts with intensive skills training in the workplace that could serve as a stepping stone to unsubsidized jobs and apprenticeships in the construction trades, and (2) to provide community improvements through rehabilitation of public facilities and repairs of low income housing. Chapters I and II describe the program model and its implementation. Chapter III presents the work valuation methodology that was created to assess the dollar value of the work products and the results of applying this methodology. Chapter IV provides a detailed summary of various analyses of VICI's impact on the labor market experiences of participating youth; comparisons are drawn with a HUD demonstration and selected Youth Community Conservation and Community Improvement (YCCIP) programs. Chapter V discusses the cost-effectiveness of the VICI program, while the final chapter summarizes major findings and their implications. The evaluation concludes that the project met with success in both of its major objectives. Appendices consist of a compendium of interim ICI reports, a short discussion of the role of the intermediary (Public/Private Ventures) in VICI, and a summary of the program characteristics of VICI, HUD, and construction YCCIPs selected for follow-up study. (CMG)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED243977

P/PV

Public/Private Ventures

1701 Arch Street
Philadelphia, PA 19103
(215) ~~564-4815~~
592-9099

Ventures In Community Improvement

Final Report of the Demonstration

March 1982

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
Carol Thomson
P/PV
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
● Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

UD023327

Public/Private Ventures is a non-profit corporation focused on economic development and employment and training issues. It develops and manages demonstration projects, conducts research and policy analysis, provides technical assistance to organizations and businesses, and performs program assessments and evaluations. P/PV, based in Philadelphia, receives funding from public and private sector sources. The corporation also collects and disseminates information on public/private programs and strategies. Contact: The Resource Center, Public/Private Ventures, 1701 Arch Street, Philadelphia, PA. 19103 215/564-4815.

Public/Private Ventures Board of Directors

Dr. Vernon M. Briggs, Jr.
Professor of Labor and Industrial Relations
NYSS of Industrial & Labor Relations
Cornell University
Ithaca, New York

Alan Campbell
Executive Vice President
ARA Services, Inc.
Philadelphia, Pennsylvania

Dr. Edwin Campbell
President
Gulf Management Institute
Boston, Massachusetts

Walter D'Alessio
President & Chief Executive Officer
Latimer and Buck
Philadelphia, Pennsylvania

John T. Joyce
President
Bricklayers & Allied Craftsmen
Washington, D.C.

William H. Kolberg
President
National Alliance of Business
Washington, D.C.

Franklin A. Lindsay
Chairman of the Executive Committee
ITEK Corporation
Lexington, Massachusetts

Steven A. Minter
Associate Director
The Cleveland Foundation
Cleveland, Ohio

Melvin A. Mister
Director
Office of Program Development
U.S. Conference of Mayors
Washington, D.C.

Stanley H. Ruttenberg
President
Ruttenberg, Friedman, Kilgallon, Gutchess and Associates
Washington, D.C.

William J. Spring
President, Tri-Lateral Council for Quality Education, Inc.
Federal Reserve Bank of Boston
Boston, Massachusetts

Anita A. Summers
Associate Chair Person, Public Management
The Wharton School, University of Pennsylvania
Philadelphia, Pennsylvania

Richard H. de Lone
President

This report was prepared under a contract with the Office of Youth Programs of the Employment and Training Administration, U.S. Department of Labor (contract number 99-8-1352-38-1). Organizations undertaking such projects under government sponsorship are encouraged to state their findings and express their judgments freely. Therefore, points of view stated herein do not necessarily represent the position of the Department of Labor.

ACKNOWLEDGEMENTS

Many individuals and groups have made it possible for Public/Private Ventures (P/PV) over the past four years to design, manage and research the Ventures in Community Improvement demonstration. As the funding agency, the Office of Youth Programs (OYP), U.S. Department of Labor, played a substantial role during the project. P/PV acknowledges the guidance of OYP and its hard-working staff.

P/PV was dependent upon the eight VICI program operators, who responded to many requests for research data, provided continuing programmatic information, and shared insights with P/PV and the other VICI operators in ways that contributed to an exemplary demonstration. P/PV is indebted to the Atlanta Urban League, the Broward Employment and Training Administration, the Eighteenth Street Development Corporation (Chicago), the OIC of Greater Milwaukee, the Mayor's Office of Employment and Training (Newark), the New Haven Employment and Training Administration, the Franklin Foundation (Philadelphia) and Operation Open City (New York City). Much of the credit for the success of the VICI demonstration rests with the VICI staffs of these organizations.

A number of subcontractors aided in various aspects of the research. Research for Better Schools, Inc., Greenleigh Associates, Inc., Planning Data Systems, Inc., and Associates for Research in Behavior, Inc., were the primary collectors and processors of the participant data accumulated during this project. Robert Minnehan designed VICI's work valuation methodology, and collected and analyzed the resulting data. Drs. David Crawford and Jeffrey Perloff of Econsult, Inc., aided in the development of the overall research design and provided quantitative analyses of VICI impact. The process documentation report was written by Harvey Shapiro; he was joined in the collection of site observations by Henry Blakely. The Institute for Employment Policy of Brandeis University provided valuable assistance in the compilation and interpretation of data on the HUD-YCCIP demonstration.

A large number of current and former P/PV staff share responsibility for the original design of the VICI demonstration's operations and research. Graham Finney, Richard de Lone, Michael Bailin and Julia Robinson, as core P/PV staff when VICI was conceptualized, played key roles in guiding it to inception.

The P/PV VICI staff, under the supervision of Jerome Kolker, and including Will Maddox, Lane Smith, Beth Palubinsky, Shirley Etheridge-Bembry, Cynthia Matthews, Margo Price, Eloise Anderson, Gwen Johnson and Karen Cuthbertson, was principally responsible for the implementation and operation of the demonstration. The VICI research staff, under John Kelley and including Julian Grauer, Sylvia Wenocur, Eleanor Hammond, Ruth Reed, Edna Ponce and Deborah Robinson oversaw the research plan, collecting prodigious amounts of participant and production data.

Wendy C. Wolf, newly arrived at P/PV as Research Director, was handed the task of this final VICI research report. Wendy Wolf, John Kelley, Lane Smith, and Richard de Lone were the principal authors, with critical reviews by Peter Bearse, Michael Bailin and Jerome Kolker. Charlotte White, Wendy Siegel, Eloise Anderson and Margo Price spent uncounted hours at word processors producing the lengthy drafts this report required.

Finally, the P/PV Board of Directors offered unflagging support, enthusiasm and strategic direction for the VICI demonstration as well as providing a critical review of this report.

Public/Private Ventures, Inc., acknowledges the contributions of each of the people and organizations mentioned above. We are indebted to them all for their critical roles in creating, managing and evaluating the VICI demonstration.

TABLE OF CONTENTS

ACKNOWLEDGMENTS i

TABLE OF CONTENTS iii

LIST OF TABLES v

EXECUTIVE SUMMARY vii

INTRODUCTION.. 1

I: ORIGINS AND FEATURES OF THE DEMONSTRATION......... 3

- Background.................................... 3
- The VICI Model................................ 5
- The Research Plan............................. 7

II: THE VICI MODEL AND ITS REPLICATION................ 13

- The Program Model............................. 14
- The Replication Process....................... 22
- Summary....................................... 28

III: WORK VALUATION: PROCESSES AND PRODUCTS............ 31

- The Need for a Methodology.................... 31
- Developing the Methodology.................... 31
- Implementing the Methodology.................. 33
- Outcome Measures.............................. 34
- Findings from the Demonstration............... 35
- Summary....................................... 42

IV: THE IMPACT OF VICI ON PARTICIPANTS................ 45

- Selection of Programs for Comparison.......... 45
- Participant Characteristics................... 50
- Termination Data.............................. 52
- The Impact of VICI on Post-program Employment and Earnings.................................. 54
- Summary....................................... 67

V: COST-BENEFIT ANALYSIS.................................. 69

The Methodology.................................. 69
Comparing Costs and Benefits..................... 71
Conclusions...................................... 79

VI: CONCLUSIONS.. 81

Summary of Research Findings..................... 81
Implications for Policy Makers................... 86
Implications for Program Planners and Managers.... 87

APPENDIX I: COMPENDIUM OF INTERIM VICI REPORTS....... 89

APPENDIX II: THE ROLE OF THE INTERMEDIARY............. 91

APPENDIX III: SUMMARY OF PROGRAM CHARACTERISTICS OF VICI, HUD, AND CONSTRUCTION YCCIPS SELECTED FOR FOLLOW-UP STUDY............. 93

LIST OF TABLES

		page
I-1	Schematic Representation of the VICI Demonstration by Organization and Functions(s)	8
II-1	VICI Linkages and Program Features	19
III-1	Work Value Concordance by Site	36
III-2	Work Value Results by Site	37
III-3	Selected Statistics for Program	38
III-4	Independent Estimators' Ratings of Job Quality	40
IV-1	Profiles of Potential Comparison Programs	46
IV-2	Programs Selected for Comparison in Five Cities	49
IV-3	Aggregated Summary of Participant Background Characteristics, FY 1979-80 Combined	51
IV-4	Employment and Training Profile of VICI Participants, October 1978 through September 1980	53
IV-5A	Aggregated Summary of Participant Outcomes, FY 1979-80 Combined	55
IV-5B	Type of Placements in VICI, FY 1979-80 Combined	55
IV-6	Response Rate for Follow-up Interviews by Program and Sample Sizes for Multivariate Analyses	57
IV-7	Means of Outcome Measures in the Follow-up Sample	60
IV-7A	School and Employment Status in the Follow-up Samples	60
IV-7B	Means on Quarterly Earnings for All Members of Follow-up Sample	60
IV-7C	Summary of Characteristics of Jobs of Individuals Working at Last Observation	61

IV-8 Summary of Program Effects from Multivariate Analyses 62

IV-9 Summary of Statistically Significant Effects from Multivariate Analyses 64

V-1 Cost of VICI Programs 72

V-2 Cost-Benefit Analysis from the Social Perspective 74

V-3 Sensitivity Analysis of Net Social Benefit (Present Value) of VICI Program 76

V-4 Analyses of Length of Pay-Back Period (from Social Perspective) 78

EXECUTIVE SUMMARY

The 1977 Youth Employment Demonstration Projects Act (YEDPA) was conceived as a broad effort to attack America's chronic youth unemployment problem and compile basic information about effective program techniques. A major component of the Act, the Youth Community Conservation and Improvement Programs (YCCIP) was designed:

- To provide youths with intensive skills training in the workplace that could serve as a stepping stone to unsubsidized jobs; and,
- to provide tangible, valuable and lasting community improvements.

A substantial portion of the funding for this component of YEDPA was designated for discretionary efforts to test innovative program approaches.

The Ventures in Community Improvement (VICI) project was supported through these specially earmarked funds. It was designed by Public/Private Ventures as an "enhanced work experience model," in which skills training was conducted through work experience in a setting that strongly emphasized the finished production of quality work. The program was operated in eight sites (most were in large urban areas), providing some 1500 out-of-school, disadvantaged youth with intensive work experience in the building trades.

The demonstration-research project had three main purposes:

1. To design an exemplary program model and test the feasibility of its replication on a broader scale;
2. To measure and assess the impact of the program on employment opportunities, wage benefits and community benefits in the form of property improvements;
3. To design (and, in a field setting, make refinements to) a methodology for assigning value to work products produced through the VICI program and readily usable in similar projects.

This is the final report of the two-year national demonstration and research program.

THE VICI MODEL

The program model consists of a set of key components which together make up VICI. These were selected on the basis of a careful review of existing programs to identify features that were both effective and capable of being implemented in a variety of settings.

Chief among them were the following:

1. Work projects providing both varied skill training in the construction trades for participants and needed physical improvements for communities;
2. Work crews, led by highly-skilled union journeymen and having a low supervisor-trainee ratio (1 to 6 as a rule);
3. Commitment of local funding to supplement Department of Labor demonstration funds;
4. A network of interagency linkages that draws upon existing resources to perform essential functions. Agencies include: local unions, an agency to provide appropriate work projects, a participant-referral agency, and educational resources to help youths obtain General Educational Development (GED) diplomas.

Through a limited competition process conducted by P/PV, eight sites were selected to test the VICI model: Atlanta, Broward County (Fla.), Chicago, Milwaukee, Newark (N.J.), New Haven, Philadelphia, and the South Bronx section of New York City. Program enrollees were (as required by YCCIP regulations) between 16 and 19 years of age. The typical participant was a minority, 18-year-old high school dropout, and was certified CETA-eligible. Youths worked in crews, learning the rudiments of various construction trades. Work projects ranged from "gut" rehabilitation of housing units to emergency housing repairs to home weatherization. Participation in the program usually lasted for six months.

RESEARCH METHODOLOGY

The chief means of assessing the program's effects on participants were data obtained from post-program interviews. Four hundred and seventy VICI participants, and a comparison group of 131 subjects drawn randomly from VICI waiting lists, were interviewed. Similar data were obtained for participants in two similar program types: a U. S. Department of Housing and Urban Development (HUD) demonstration, and other construction-oriented YCCIP projects.

To measure the value of community improvements, a work valuation methodology was developed and used in all sites. To address the replication issue, independent field observers visited each site up to five times during the demonstration. They systematically identified what appeared to be basic elements in program success and factors that promoted or hindered local program effectiveness and replicability.

PROGRAM RESULTS

Measured against control group youth, VICI program participants demonstrated the following key outcomes (all statistically significant) eight months after program completion:

1. VICI participants were about twice as likely to be employed;

2. VICI participants were about three times more likely to be apprenticed or to be on apprentice waiting lists;

3. VICI participants had an average wage gain over controls of $321 per quarter or $1286 a year.

Comparison with other program types did not yield a pattern of statistically significant results, though (on a non-significant basis) VICI results equalled or exceeded those of the other programs. All three types were found to provide benefits to participating youth; however, the research showed no clear-cut superiority of one program type over the other.

Community benefit results were defined as the value of work products resulting from the VICI program. It was found that the $8,037,751 of total program costs (from early 1979 to mid-1980) produced tangible improvements (repairs, refurbishment to public buildings, rehabilitation of housing units, etc.) worth $3,744,855. Hence for every public dollar expended, 47 cents worth of permanent community improvements were left in place. This value, which can be viewed as an offset of training costs, is evidence of the program's effectiveness in harmonizing the somewhat disparate goals of training and community improvement.

The quality of work was judged by an independent construction estimating firm that rated 73 of the VICI jobs. Its finding was that the work was generally of high quality. Workmanship in the jobs rated equalled or exceeded that of a professional contractor in 86 percent of cases; appearance of final product was so rated 90 percent of the time.

COST-EFFECTIVENESS

To judge the cost-effectiveness of the VICI program, several types of analysis were undertaken, the key one being a cost-benefit analysis, conducted from the societal perspective. Benefits included wage gains (over 40 years, discounted to present value) and value of community improvements. Costs included those associated with program operations, excluding program start-up costs and stipends (which, as transfer payments, are not included in the cost-benefit analysis, which was conducted from a societal perspective). Certain benefits -- e.g. reduction of transfer payments or reduced criminal activity -- were also not included, thereby biasing results somewhat against the VICI program.

Analysis showed that VICI yielded benefits of $9,646 per participant, at a cost of $6,312, for a net positive benefit of $3,334 per participant, and a positive benefit-cost ratio of 1.5 to 1. The positive benefit is comparatively insensitive to various assumptions about the rate at which the benefits decay, the discount rate and the number of years over which the benefits accrue.

A related measure, the payback period, was also developed and analyzed. This is simply the amount of time it would take a successful program graduate to repay, through the earnings gain produced by the program, the cost of program participation. For VICI, the payback period was not long -- a little more than two years.

COST-SHARING AS AN INCENTIVE FEATURE

The comparatively high costs of a program like VICI -- which focused both on training hard-core unemployed youth and producing physical improvements -- underscored the need to develop techniques for levering funds from several sources. One cost analysis undertaken focused on how well this was achieved, and provided a measure of the incentives to participate presented to two types of agency:

- Prime sponsors, which used VICI dollars (which came to them as additional funds, beyond their normal budgets) to attain employment and training goals;
- Community development agencies, which used VICI funds as an added tool in their efforts to make physical improvements, particularly in depressed or blighted neighborhoods.

Community development agencies invested $1,786,000 in VICI (20 per cent of program costs), mostly for building materials and supplies. In return, work products valued at $3,720,000 were produced, so that for every dollar of community development funds, over two dollars' worth of product was "purchased."

Prime sponsors, whose "product" is the labor market gains of program participants, invested $7,234 per participant, which produced $5,838 in wage gains, or 81 cents for every dollar invested.

PROGRAM REPLICATION

Despite the need for an intricate linkage system among sometimes disparate agencies, VICI was judged to be capable of replication. Field research identified critical program elements, of which the lure of incentive funds from DOL, union participation, and the levering of program funds from several interested agencies were all judged to be crucial.

An indication of the success of the program lies in the fact that when DOL incentive funding was terminated, prime sponsors in five of the original eight sites chose to continue their programs with their own funds. It remains an open question, though, whether such programs can be started de novo without the presence of substantial incentive funding.

WORK VALUATION METHODOLOGY

To meet the third project goal, Public/Private Ventures designed a methodology for systematically and consistently valuing physical improvements produced as part of the VICI undertaking. A major aim was to produce an approach that was sound, inexpensive and simple to implement. The methodology is based on the notion of "alternative supplier price," i.e., the price an outside bidder would charge to perform the same work. Estimates of this price were systematically developed for each VICI project by a trained estimator employed by the program. These were periodically calibrated, using independent outside re-estimates of some completed work. Where necessary, weights were calculated to bring high (or low) estimates into conformance.

The valuation system produced a broad set of cost statistics useful not only as a measure of program products, but also for a range of management and planning applications. The system also permits comparisons between different programs and different sites since it provides uniform measures of value. It also proved comparatively inexpensive to implement -- only about one percent of total budget costs.

CONCLUSIONS

The VICI demonstration met with appreciable success. Overall, P/PV concludes that a well-designed community improvement program can both increase the chances for disadvantaged youth to gain unsubsidized employment in the construction trades and produce valuable improvements in the community, in a cost-effective manner. Moreover, both the VICI program itself and the work valuation system (either independently or in tandem with VICI) appear to be replicable in a broad variety of settings.

INTRODUCTION

This report summarizes the development and operation of the Ventures in Community Improvement Demonstration Project (VICI), and its impact on participant youths and communities.

A "demonstration project" has been described as:

> . . . a small program, funded for a definite period of time. . . . It has specific objectives and approaches which are subjected to critical scrutiny; it serves a select area and population with the fervent hope that the lessons it learns and 'demonstrates,' through the rigors of scientific research, will somehow lead to large-scale adoption and major shifts in the aims, styles, resources and effectiveness of major social service organizations and programs.1/

The VICI demonstration embodied all these features. It served a "select population": young, minority, inner city high school drop-outs who had severe employment problems before entering the VICI program.

VICI's specific objectives and approaches were:

1. To provide youths with intensive skills training in the workplace that could serve as a stepping stone to unsubsidized jobs and apprenticeships in the construction trades;
2. To provide tangible and lasting community improvements through the rehabilitation of public facilities and repairs of low income housing.

In striving to accomplish these objectives the VICI program design took several innovative approaches.

First, underlying the VICI model was a belief that the effectiveness of youth programs can be increased by forging strong links between diverse institutions that offer varied resources and expertise. The demonstration therefore linked the following institutions: a local agency to manage the project, an organization to provide work, organized labor, local educational institutions, and a local agency to provide building permits and work inspection.

Second, particular emphasis was placed on levering funds from public sources other than CETA in order to increase available resources for purchasing materials and supplies.

Third, the model called for much closer supervision (one supervisor for every six participants) than is ordinarily offered in CETA community improvement programs.[2] Only union journeymen interested in working with youth were recruited to serve as supervisors.

The VICI demonstration was subjected to "critical scrutiny and scientific research." Extensive quantitative and qualitative analyses were conducted to answer two core research questions specified by the U.S. Department of Labor's Office of Youth Programs:

1. How and under what conditions can the program be adequately replicated in various communities?
2. What impact did participation in VICI have on the post-program employment prospects of youth, especially in comparison to similar youths who participated in other types of construction-related training programs?

In addition, the Office of Youth Programs selected VICI to serve as a field laboratory in order to develop and refine a practical methodology for discerning the dollar value of work products (the community improvements) generated by the program.

In this report, Chapters I and II describe the program model and its implementation. Chapter III presents the work valuation methodology that was created to assess the dollar value of the work products and the results of applying this methodology. Chapter IV provides a detailed summary of various analyses of VICI's impact on participating youth, and Chapter V discusses the cost-effectiveness of the VICI program. Chapter VI summarizes major findings and their implications for policy-makers and planners charged with guiding employment and training services.

NOTES

[1] Rein, Martin, *Social Policy*, Random House, New York, 1976, p.1.

[2] A ratio of one supervisor to ten youths is typical in most youth community improvement projects according to the Department of Labor's Office of Youth Programs.

CHAPTER I: THE ORIGINS AND FEATURES OF THE DEMONSTRATION

This chapter describes the policy context of the VICI demonstration, the essential features of the model to be tested, and the fundamental research questions to be answered by the demonstration. This chapter thus seeks to set a framework for the remainder of the report.

BACKGROUND

The year 1977 witnessed substantial legislative activity on youth unemployment. A bipartisan consensus had been reached that spiraling unemployment among our nation's young people posed a formidable socio-economic problem. Nearly one-half of all unemployed persons were in the 16 to 24 age group, even though this group accounted for only a quarter of the total work force.1/ These figures, however, masked discrepancies among various segments of the youth population. The Congressional Budget Office reported:

> Unemployment among different subgroups of youths varies sharply according to education, income, and race. The chances of a youth being unemployed in 1976 were about one in seven. If that youth was a school dropout, however, his chances were about one in four. They were about one in three if he was a non-white school dropout. Similarly a poor youth's chances of being unemployed were about one in three; and if poor and non-white, one in two. Finally, a teenage worker living in a poverty area of a central city was about twice as likely to be unemployed as a teenage worker in general, and a non--white teenager in a poverty area of a central city was more than twice as likely to be unemployed. 2/

In raw numbers, nearly 3.4 million youths aged 16 to 24 were unemployed, on the average, during 1976. Double this number experienced periods of unemployment during the year. 3/

While analyses of the consequences of youth unemployment are limited, a review of available studies by the National Commission for Employment Policy concluded that extended unemployment as a youth reduces subsequent earnings, may undermine self-confidence (which in turn, impairs future earnings and occupational status), and may be associated with crime, drug abuse and other forms of anti-social behavior. In sum, the Commission concluded that "there are long-term payoffs to increasing the labor market opportunites of youth." 4/

YEDPA: A Response to the Problem

In July 1977, Congress passed a consolidated youth employment bill, which, when it became law, was called the Youth Employment and Demonstration Projects Act (YEDPA). Backed by a one billion dollar 1978 appropriation, it authorized four major types of project:

1. The Young Adult Conservation Corps (YACC), providing year-round youth employment in public parks, forests and recreation areas;

2. The Youth Incentive Entitlement Pilot Projects (YIEPP), testing the results of guaranteeing jobs and/or training to all economically disadvantaged 16 to 19 year olds residing in selected areas who agreed to enter or remain in school during the period of entitlement;

3. The Youth Community Conservation and Improvement Projects (YCCIP), hiring young people to work on community improvement projects ranging from housing rehabilitation to energy conservation;

4. Youth Employment and Training Programs (YETP), enhancing the job prospects of youth through career information, work experience and other activities.

While the majority of funds appropriated for YEDPA was to be allocated by formula among the 455 prime sponsors, a certain proportion of YEDPA dollars was set aside as discretionary. These discretionary funds were to support more experimental program and to identify programs and services that best moved youths into the job market.

The Office of Youth Programs (OYP) was created to administer YEDPA and pre-existing youth programs. This office formulated a "Knowledge Development Plan" (KDP) to coordinate and guide YEDPA discretionary allocations.

YCCIP

The intent of YCCIP was to offer a program "short on frills but long on well-supervised jobs with tangible outputs." 5/ It targeted out-of-school, economically disadvantaged youths, especially drop-outs. A categorical program, YCCIP sought to create roughly 14,000 jobs for youth during 1978. The legislators were clear that the work consist of "work which would not otherwise be carried out." 6/

YCCIP's two-point emphasis on producing tangible community improvement and skill training was not a new twist in public efforts to address unemployment. But the new YCCIP program consciously attempted to avoid past mistakes by regulating against "make work" and accentuating the quality of the work experience, the supervision and the output. 7/

OYP's Knowledge Development Plan, issued in late 1977 (and updated since then), specified three demonstration projects under the YCCIP program. One would explore the value of using a neighborhood-based community development corporation to run community improvement programs. This demonstration would use funds transferred from DOL to the Department of Housing and Urban Development (HUD) and then to ten community development corporations (which for the purpose of this report will be called the HUD demonstration). A second demonstration would explore the feasibility of federal inter-agency work projects, by developing arrangements through which other federal agencies would be linked to community improvement work projects. The third demonstration would become VICI, the Ventures in Community Improvement demonstration, which was to test the feasibility of replicating an exemplary program in a variety of communities.

THE VICI MODEL

P/PV had completed an extensive national review of youth programs for the Ford Foundation, and was accordingly well-positioned to design an exemplary program model. The Office of Youth Programs therefore asked P/PV to design, guide and research the demonstration. Using information gained from the Ford study, P/PV pinpointed three programs that combined critical features that would be blended together to form the VICI model: The Emergency Home Repair Program in Portland, Oregon; World of Work, Rochester, NY; and Maverick Service Corporation, Hartford, Conn. While no single program provided the ideal model, each possessed attractive characteristics. As a result, the emerging VICI model became a blend of selected features from several programs.

The P/PV staff recognized during the planning process that introduction of the model to different jurisdictions rested in part on a distinction between its essential features and incidental features that would allow for local variations. Accordingly, a set of optional features were constructed in addition to the required program features, some of which were prescribed by YCCIP regulations.

The required program elements included: 8/

1. Participants who were 16 to 19 years of age, out of school, unemployed, underemployed, or economically disadvantaged and confronted by severe difficulties in obtaining jobs;

2. Work projects that provided both needed physical community improvements in the construction trade areas and varied work and training for participants; (the work must be of a kind that would not be rou-

tinely done in the absence of the program);

3. Recruitment of participants from geographical areas where the work itself was to take place;

4. Work crews (10) led by highly skilled supervisors and a small supervisor-participants ratio (one to six) to permit skills training;

5. Links among diverse public agencies, with clear assignment of, and agreement to, roles and responsibilities, as follows:

   a. A local management agency with the experience and capacity to conduct and manage the program, or a prime sponsor that could administer the program;

   b. A referral agency with demonstrated access to and experience in working with youth;

   c. A "work-providing agency" with the demonstrated capacity to provide a suitable inventory of projects and work orders in a timely and continuous fashion;

   d. Labor unions and trade organizations to cooperate in the referral of journeyman supervisors;

   e. Educational institutions to provide youth participants with opportunities to enroll in a GED or other form of continuing education;

6. Provision for obtaining licenses and/or permits to undertake physical community improvements, and inspection of work performed;

7. A commitment to provide the necessary data and information to meet the demonstration's research requirements; and

8. A commitment of local funding, particularly for building materials and supplies, to supplement the support provided by DOL.

The optional elements that allowed for variations in local conditions included payment of incentive wages to participants, the offering of driver education, the location of target areas for work sites and youth recruitment, and the choice of local program operator.

After reviewing and approving the model, (DOL) selected and invited fourteen prime sponsors, mostly from major cities, to a workshop where P/PV introduced the demonstration and offered the opportunity to submit proposals for starting a VICI program. In all, fifteen 9/ proposals were submitted within the one-month deadline. Of these, eight were approved for funding:

Atlanta, Georgia	New Haven, Connecticut
Broward County, Florida	New York, New York (South Bronx)
Chicago, Illinois	Philadelphia, Pennsylvania
Milwaukee, Wisconsin	
Newark, New Jersey	

Authority for the VICI demonstration descended vertically from the DOL Office of Youth Programs through the Regional Offices to the CETA prime sponsor in each city. (See Chart I-1). P/PV, as the intermediary organization, was responsible for designing, guiding and conducting research on the demonstration. As such, P/PV had "recommendation" authority but was dependent upon the Office of Youth Programs and/or the DOL Regional Offices to put its recommendations into practice. The institutional framework of the demonstration is shown in Chart I-1. Typical linking organizations such as the work provider, educational facility and the referral agency are described as well.

Each of the eight sites was to operate its program for eighteen months, with continuous enrollment maintaining a level of 60 active participants. P/PV Program staff were assigned to provide technical assistance and program oversight during the period of operation.

The eight sites commenced operations separately during the period September 1978, through February 1979. When the demonstration period had ended for all sites in September 1980, almost 1,500 youths had participated in VICI. Five of the sites continued to operate, with the help of DOL matching funds, through most of 1981. Of these, four made successful transition to non-discretionary local funding sources and continue in operation. In addition, the Chicago site, not originally selected as one of the five for DOL matching funds, has continued to operate with local funds since the end of the initial demonstration.

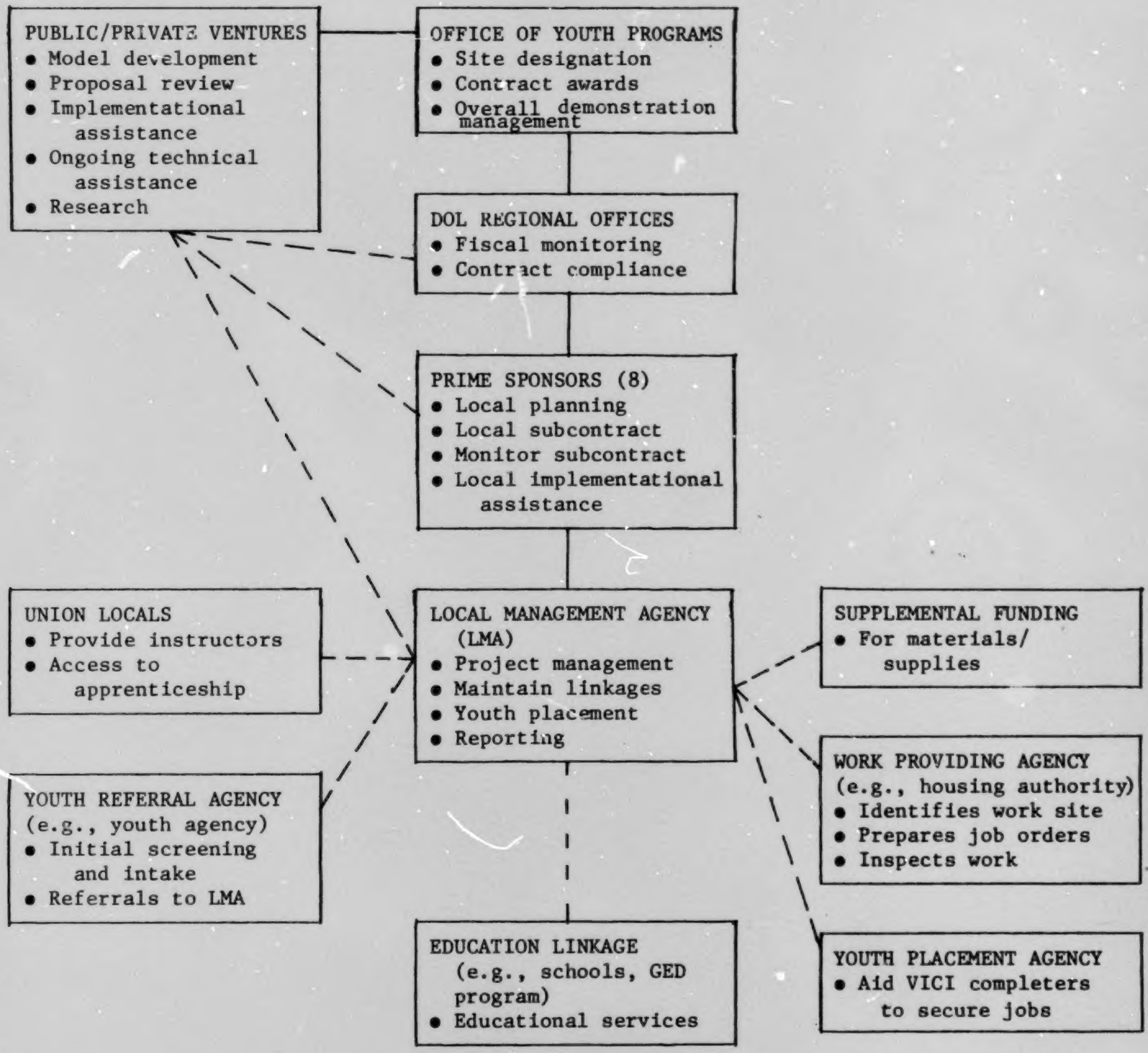
THE RESEARCH PLAN

The DOL's Knowledge Development Plan of 1977 guided the VICI research 10/ by enumerating the three underlying objectives of the demonstration:

1. To demonstrate and test the feasibility and effectiveness of the replication methodology itself (i.e., how and under what conditions can the program model be replicated in various communities?);

2. To develop and refine a 'work valuation' methodology that may eventually be incorporated into formula-funded community improvement programs; and

Chart I-1
Schematic Representation of the VICI Demonstration
By Organization and Functions


PUBLIC/PRIVATE VENTURES
• Model development
• Proposal review
• Implementational assistance
• Ongoing technical assistance
• Research
OFFICE OF YOUTH PROGRAMS
• Site designation
• Contract awards
• Overall demonstration management
DOL REGIONAL OFFICES
• Fiscal monitoring
• Contract compliance
PRIME SPONSORS (8)
• Local planning
• Local subcontract
• Monitor subcontract
• Local implementational assistance
UNION LOCALS
• Provide instructors
• Access to apprenticeship
LOCAL MANAGEMENT AGENCY (LMA)
• Project management
• Maintain linkages
• Youth placement
• Reporting
SUPPLEMENTAL FUNDING
• For materials/ supplies
YOUTH REFERRAL AGENCY (e.g., youth agency)
• Initial screening and intake
• Referrals to LMA
WORK PROVIDING AGENCY (e.g., housing authority)
• Identifies work site
• Prepares job orders
• Inspects work
EDUCATION LINKAGE (e.g., schools, GED program)
• Educational services
YOUTH PLACEMENT AGENCY
• Aid VICI completers to secure jobs

NOTE: In some sites, more than one role is played by the same agency (e.g., the prime sponsor is also the local management agency). In others, multiple agencies are involved in one function (e.g., youth referral).

Key: ——— Lines of primary authority
----- Communication lines

3. To compare the post-program experience of youth participating in the projects (which will mainly provide job experience) with those for a comparable group of young people of similar backgrounds who have participated in other manpower programs (which emphasized classroom training, manpower and support services) in the same localities.

A different research strategy was used to answer each of the basic questions. First, the question of how and under what conditions the program model could be adequately replicated was answered through process documentation. It sought to evaluate those processes that quantitative analyses do not reveal. The theme and course of replication was one of the principal targets. Other topics addressed were the operational effectiveness of certain features of the model itself, and the role of the intermediary organization in replication. The primary means of information gathering consisted of on-site observations and comprehensive interviews with key persons involved in VICI. This work was subcontracted to a team of experienced, independent evaluators who visited every VICI site several times during the demonstration period. The results of the process documentation analysis follow in Chapter II.

To meet the second objective, P/PV staff designed and implemented a work valuation methodology that provided a mechanism for assessing the dollar value of production. A discussion of the methodology and the results of its implementation in the eight sites appears in Chapter III.

The third objective, "to compare the post-program experiences of youths in VICI to youths participating in other programs" was revised before the start of program operations. Both DOL and P/PV agreed that more credence would be placed in findings that were confined to YCCIP construction projects rather than spanning a spectrum of programs with different goals, objectives, activities, and youth characteristics. This would increase similarity across the comparison groups and, hence, would make the inter-program comparisons more reliable. In addition, P/PV recommended that a "no treatment" group be added to the study in order to gauge the net effect of the demonstration on youth. 11/ In the end, the post-program comparison emerged as a four-group study design.

Face-to-face follow-up interviews to obtain key labor market information (e.g., employment status, wages and job types) were conducted at one, three and eight months after participants left the program. These interviews were obtained from VICI participants and from:

1. Youths who had entered the HUD demonstration in the four cities that overlapped VICI sites (Atlanta, Chicago, Newark, New York). HUD projects enrolled both in-school and out-of-school youths;

only the latter were included in the study sample.

2. Youths in formula-funded YCCIP construction programs run in VICI cities. Only three sites had the quantity of these youths (n=60) deemed sufficient for the study: Chicago, Philadelphia, New York.

3. Control youths, randomly selected from the waiting lists of four VICI sites.

Program impact was determined by a multivariate inter-group comparison of the youths' post-program behavior and experiences. Chapter IV describe the research design in detail and presents the findings of the impact analysis.

An additional part of the impact analysis is the assessment of VICI's cost-effectiveness, which is discussed in Chapter V.

NOTES

1/ Adams, A., Mangum, G.L., and Seninger, S., "The Nature of Youth Unemployment," in The Lingering Crisis of Youth Unemployment, A. Adams, G.L. Mangum et al, W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, 1978.

2/ Youth Unemployment: The Outlook and Some Policy Strategy, Congressional Budget Office, Congress of the United States, April 1978.

3/Adams, Mangum and Seninger, op. cit.

4/Expanding Employment Opportunities for Disadvantaged Youth, Fifth Annual Report to the President and the Congress of the National Commission for Employment Policy, Chapter 3 "The Consequences of Youth's Experience in the Labor Market," U.S. Government Printing Office, 1979.

5/Wurzburg, G., Overview to the Local Focus on Youth: A Review of Prime Sponsor Experience Implementing the Youth Employment and Demonstration Projects Act. National Council on Employment Policy, Washington, D.C. 1979, p.10.

6/Youth Employment and Demonstration Projects Act, 1977.

7/National Commission for Employment Policy, op. cit., pp. 146, 147.

8/Revitalizing Communities While Training for Jobs, Public/Private Ventures, 1980.

9/The New York City prime sponsor submitted VICI proposals for the Central Harlem and South Bronx neighborhoods.

10/A compendium of VICI Interim Reports is found in Appendix I.

11/The national Office of Youth Programs felt that it could not mandate such a control group but neither would it prohibit such. It was left to Public/Private Ventures and each participating prime sponsor to jointly and voluntarily negotiate the issue.

CHAPTER II: THE VICI MODEL AND ITS REPLICATION-- A PROCESS DOCUMENTATION ANALYSIS

The Knowledge Development Plan of the U.S. Department of Labor, using VICI as a testing ground, called for analysis of program replication as a strategy for fostering effective services. The basic question posed was: "how and under what conditions can the program model be adequately replicated in various communities?"1/ This chapter addresses the issue by first describing the program model from the perspective of: a typical program staff, a typical youth enrollee, and the central features of the VICI model. The second portion of this chapter analyzes the key steps in VICI's replication process and the lessons that were learned as the demonstration progressed through its several stages.

In order to investigate these issues, P/PV relied upon process documentation, consisting primarily of extensive on-site observation and interviews with several hundred key actors. This method was chosen to obtain information (e.g., local political forces, the strength of the linkage system) not readily amenable to quantification. P/PV subcontracted for the services of two experienced evaluators (Harvey Shapiro and Henry Blakely) for the process documentation analysis. While they were guided by a research plan that set out main study themes, they were encouraged to draw their own conclusions.

The evaluators visited each VICI program site at least five times during the study period. They spoke with mayors, local employment and housing officials, union leaders and other professionals involved with the demonstration, as well as with youth participants, homeowners whose dwellings were being repaired, their neighbors and passersby who stopped to view the work projects. The evaluators also interviewed DOL officials and P/PV staff. These visits and interviews took place throughout the demonstration period. This chapter provides a synopsis of the more than 1000 pages of process documentation the evaluators produced. 2/

As part of the investigation of replication, P/PV was asked to evaluate its own effectiveness as an intermediary institution. Like the other qualitative research, this task was subcontracted to independent evaluators for process documentation analysis. Since P/PV feels that self-evaluation is not appropriate, the portion of Harvey Shapiro's process documentation report that deals with the role of the intermediary appears verbatim in Appendix II.

THE PROGRAM MODEL

This section describes VICI from the vantage points of typical staff and youths, the model's distinguishing features and problems in execution. This preliminary description delineates some of VICI's essential aspects, providing an informed basis for interpreting both the replication portion of this chapter and subsequent quantitative chapters.

The Program Staff

The local operator was the hub of the VICI program. In three of the eight VICI sites, the prime sponsor assumed the role of program operator, managing VICI directly. In the other five sites, prime sponsors were responsible for selecting, subcontracting with and monitoring the local VICI operator.

The project director and deputy director were at the fulcrum of VICI's dual goals: training and production. Ordinarily, one was an experienced human services professional and the other a seasoned construction expert (usually a union journeyman or foreman). It varied across sites as to who was director and who was deputy but the dual capacity was evident in seven of the eight VICI programs. The construction expert approved and scheduled the jobs, estimated job costs and supply needs, supervised the journeyman crew chiefs, and inspected the work. The human services professional implemented and oversaw the youth screening processes, assessed participant needs for and procured ancillary services, oversaw data collection and monitored the administrative processes of the program.

The director and deputy jointly developed and implemented participant personnel policies, settled disciplinary problems and handled issues that involved both the human services and production areas. Together, they managed the job placement campaign and tended the linkage system that characterized VICI, which meant:

- Working with referral sources to assure a continuous flow of VICI-eligible candidates;
- Solidifying links with educational institutions to provide GED training, and with support service providers (e.g., counseling, legal aid, day care) to handle personal problems encountered by participants;
- Monitoring job placement efforts to aid VICI graduates to gain employment;
- Working with unions to recruit journeyman crew leaders, to develop skills curricula and to secure apprenticeships for promising VICI graduates;

- Coordinating with the work-providing agency to furnish appropriate community improvement projects in a timely manner;

- Obtaining accurate and timely job specifications and architectural drawings from the work-providing agency;

- Negotiating agreements, completing paperwork and monitoring invoices and inventories for supplemental funding sources. These funds were critical in VICI, especially in generating money for building supplies and materials, which comprised about 15 percent of a VICI site's overall annual budget, or about $120,000.

Crucial members of a typical program staff were the union journeymen serving as crew chiefs. Each supervised a crew of six youths and was charged with "getting the job done." Since youths commonly entered VICI with few skills and often had to be taught such basics as using a hammer or measuring a plank, the journeyman's challenge was to move youths along a skill progression while meeting production schedules.

Clerical staff, a data clerk (who handled the significant data collection demands of the demonstration), and a warehouse man/driver who transported supplies completed the VICI staff.

The Youth

VICI applicants were typically 18-year-old minority group members who had dropped out of high school and were jobless. Most heard of the program through neighborhood community organizations or from CETA prime sponsors. Before applying for VICI, each youth had to be formally certified as CETA-eligible by the prime sponsor or its designee.

Those youths referred to VICI were screened by VICI staff. In some sites, a panel of journeymen quizzed the applicant before admission was granted. While there was some weeding out of those without motivation, youths who showed interest were generally accepted despite educational deficiencies.

The Training Program

The successful applicant began an orientation period of several days' instruction on job safety, tool identification, work rules and on-site observation before being assigned to a work team. Being a crew member meant working with five other young persons under the direct supervison of a union journeyman. It meant getting up early to be on the job by 7:00 A.M. For a new member it meant inheriting the least skilled tasks like carting off debris, scraping paint and breaking up concrete. A good number of youths quit VICI during their first few weeks because of these challenges. As it became obvious that new participants were often deficient in such fundamental skills as simple math and reading a ruler, time was set aside on the job to teach the basics: using a ruler to cut boards at specified lengths, figuring how much paint would be needed to cover a wall of certain dimensions, or how to read the directions for mixing a bag of concrete.

As a youth mastered the fundamentals, new and more challenging tasks were introduced and incentive pay raises for good work and attendance could be gained. Inexperienced youths would normally observe a task first before trying it; gradually, they youth gained experience and began coaching new enrollees. Youths would then be urged to begin preparation for an unsubsidized job. Finishing the GED program was emphasized. Qualifying for a driver's license and saving money to purchase a car were often encouraged because, once out of VICI, it was critical to have transportation to and from job sites.

Partly because of the varied nature of the jobs and the continuous intake, there was no precise skill curriculum that, when finished, signaled successful completion of the program. Rather, as a youth approached the end of the training period (or if he/she showed exceptional skill), vigorous job placement efforts were initiated. All VICI staff were responsible for making contacts with prospective employers and unions. VICI youths were instructed in job search skills and given responsibility for making a specified number of contacts per week. The youth's journeyman supervisor, who often had strong, informal contacts with unions and other construction employers, was a particularly good source of job information. (This is discussed more fully in the section on union links.)

Construction Work

The decision to select construction work as VICI's focus shaped the program in many ways. The building and construction trades appeared to be good, though difficult fields in which to obtain employment for disadvantaged youth because work in this field draws high pay. The prospect of training youth in the construction area also had positive aspects. Although the work was often difficult, it was tangible and therefore gratifying; the tasks were clear, the progress discernible, and one's role in the building process easy to comprehend. Although VICI enrollees were at the beginning of a long road in building trades careers, they were also learning skills that they could put to use immediately through other jobs or at home.

Another positive aspect of construction training is its production component: tangible community improvements. The community improvements made by VICI included emergency repairs to the homes of the poor and elderly, and the refurbishment of public housing projects, single family houses and a wide assortment of facilities used by public service organizations. The projects often substantially improved the appearance and usefulness of these structures.

Community improvements also generated good public relations for CETA. In a national atmosphere of suspicion that CETA funds were being wasted, prime sponsors regularly brought observers to see the work done by VICI crews.

There are, of course, some negative aspects of using construction as the arena for skills training: some trades require high school diplomas, an educational barrier that many disadvantaged youths could not pass; entree into many building trades is often long and complex, involving tests and lengthy periods of apprenticeship; and employment in this industry can be highly sporadic. It also became clear that 16-17 year olds were too young to take full advantage of a training program in the construction trades. Too many individuals in this group lacked the necessary maturity and level of commitment. Most program operators would have preferred to focus on 18 and 19 year olds or permit enrollment up to the age of 24, the cutoff age for entering many apprenticeships.

Levering Funds

This was another important element in the VICI model. VICI sought to conserve employment and training funds by using them for leverage: to attract money from other sources. CETA prime sponsors felt that they were getting better training for their money; in fact, the levered funds used for materials and supplies permitted the production orientation of the skills training that normal CETA funding levels would otherwise not have permitted. The community development or housing agency, by providing funds for building materials and supplies, was able to invest a small amount and get large returns because CETA funds paid for most labor costs. (See Chapter V for a discussion of costs-benefits for CETA and community development organizations.) Levering allowed each agency to get a larger return on its dollar than would have been possible without this sharing of resources.

Involving more than one funding source also proved helpful in dealing with the vagaries of CETA funding. CETA funds decreased during the institutionalization phase but two of the five programs were able to increase the contribution they had been receiving from the local agency that provided materials and supplies. These additional funds could then be used to offset reduced CETA funds. Elsewhere, local funds were used when federal funds were slow in arriving.

Conversely, levering funds also meant that slow delivery on a funding commitment could impede VICI operations. Three VICI sites were forced to scramble for alternative funds while waiting for funding sources to fulfil their commitments. In two instances, material and supplies money was slow in coming, and work was temporarily slowed.

Ultimately, of course, levering funds does not change program costs, it just spreads them over more sources. In this case, addressing both manpower and community improvement objectives served to attract multiple funding sources. Levering is highly attractive from the standpoint of funders because it allows them to get more results per dollar.

The Linkage System

The links between a manpower program and other organizations rest on the assumption that the expertise and resources needed to provide services critical to the success of the program already exist within the community. Theoretically, it would be expensive and poor public policy to duplicate services by adding, say, educational services or the capacity to identify and screen appropriate work sites, when those services could be obtained at no cost by forging links with existing institutions.

VICI was therefore linked to work-providing agencies that generated work opportunities, trade unions that provided experienced instructors as well as entree for trainees into the construction industry, educational institutions that made it easier for participants to reconnect with a system from which they had dissociated themselves, a youth referral network designed to facilitate the recruitment and screening of qualified applicants, and counseling and placement services. An advisory board was created to keep all the linking institutions in regular contact with the program. Chart II-1 describes the variety of organizations linking with the eight VICI sites, as well as the specific type of work undertaken by each.

During the planning phase many observers questioned whether these links could be readily developed. However, VICI's designers hoped these institutions would work together out of self-interest; everyone was to have something to gain through their involvement. As the following discussion describes, the most successful links were characterized by this mutual self-interest, primarily that of unions and work providers. Conversely, unsuccessful links were characterized by a lack of perceived benefit, as in the case of local education systems, or competing interests, as in the case of referral agencies with access to eligible youth.

The work-providing link offered the most obvious incentives. By agreeing to participate and identify work to be done, the work-providing agencies were able to get useful refurbishment and rehabilitation work completed at extremely low cost, because they had to underwrite only materials and supplies. Moreover, the presence of union journeymen as supervisors provided assurance that the work would be of acceptable quality. Thus, the work-providing agencies were able to please their constituents, improve their facilities and help youth while using less money

Chart II-1

VICI Linkages and Program Features

LINKAGES & FEATURES	ATLANTA	BROWARD	CHICAGO	MILWAUKEE	NEWARK	NEW HAVEN	PHILADELPHIA	SOUTH BRONX
LOCAL MANAGEMENT AGENCY	Atlanta Urban League	Broward Employment and Training Administration	Dept. of Human Services	OIC of Greater Milwaukee	Mayor's Office of Employment & Training (MOET)	New Haven Employment and Training Administration	Franklin Foundation	Operation Open City
WORK PROVIDING AGENCY	Bureau of Buildings	Ft. Lauderdale Housing Authority	Chicago Dept. of Planning City & Community Development	Milwaukee Building Inspection Department	Newark Housing & Redevelopment Auth. & Dept. of Public Works	Human Resource Admin. N.H. Housing Authority N.H. Redev. Agency Neighborhood Preservation Pro. Neighborhood Housing Regional Rehab. Institute	Philadelphia Housing Dev. Corp. Dept. of Housing Community Development	Operation Open City
YOUTH REFERRAL AGENCY(S)	Atlanta Comprehensive Employment & Training Admin. (CETA)	Broward Employment & Training Admin.	Dept. of Human Services Urban Progress Centers	Wisconsin Job Ser. Social Dev. Commission BIGSTEP/HRD1 Work Assist. Program	Comprehensive Employment & Training Deliv. Ser. Recruitment & Training Program	Rich. Lee Sch./ Hillhouse H.S./ Wilbur Cross HS/ Carp #24/Painters 186/Conn. State Emp. Agency/OIC/ Urban League	Bureau of Employment Security	Alfred E. Smith RTP Operation Open City
PARTICIPATING UNIONS	No. Ga. Building & Const. Trades Coun. Atlanta Residential Carpenters Union	Ft. Lauderdale Building Constr. Trades Council	Chicago Dist. Council of Carpenters Apprenticeship Training Program	Mil. Carpenters Dist. Coun. Mil. Painters Union Mil.Bldg.Constr. Trades Council	Intl. Bro. of Painters & Allied Trade Council #10	Central Conn. Carpenters Local #24 Painters Union #186	Phila. Bldg. & Const. Trades Council (Roof, Carp., Elec., Plast., & Painters Locals)	Building Trades Council
EDUCATIONAL LINKAGE	Atlanta Bd. of Education	Florida Intl. University	Chicago Bd. of Ed.-- Ind. Skills Center	Mil. Public Sch. Mil. Area Tech. College	Intl. Bro. of Painters & Allied Trade Council #10	Bd. of Ed.-- Tech. Div. Adult Ed. (GED) & Junta (Bilingual)	School Dist. of Phila.	Hostos Jr. College
COMMUNITY IMPROVEMENTS	Emergency Home Repairs	Repairs on Public Housing	Rehabilitating Housing	Emergency Home Repairs	Painting Public Housing	Emergency Home Repairs Painting	Emergency Home Repairs & Rehabilitating Houses	Weatherization of Private Dwellings

than would have been spent with private contractors.

The union link was also crucial to VICI. The demonstration's designers believed that VICI held two attractions for unions: the jobs it provided for some of their journeymen members and the opportunity to obtain more minority or female apprentices to satisfy equal opportunity requirements. However, the prospect of a few jobs and affirmative action pressures were seldom strong enough to lure suspicious unions into an alliance with VICI. But some unions were attracted by the opportunity to screen minority youths who might be entering apprenticeships.

Aside from the Job Corps, VICI was one of the few CETA training programs to involve union members. Union craftsmen were originally sought as instructors to assure high quality of training and to link the VICI program to the unions in which it was hoped VICI graduates might ultimately gain membership. Although the use of journeymen as instructors made the program more expensive, it provided benefits that exceeded those originally anticipated:

- The involvement of union journeymen insured that high quality work was done by VICI crews.

- The involvement of union journeymen helped cement relations between trade unions and VICI.

- Union journeymen assumed an unanticipated role in the placement process and had a significant affect on the placement record in many sites. VICI journeymen used the unions' traditional informal networks to help VICI youths find employment. The involvement and recommendation of a journeyman meant far more than the efforts of a CETA job developer in gaining a favorable response for VICI enrollees, including minorities and women. As one Newark journeyman said of his relationship with employers in the area: "They know I've got to go back to work in the trade, so I'm not going to stick them with any deadheads."

- Journeymen provided useful role models for many youths from families with no prior connection to the labor force.

- Journeymen introduced VICI youths to the "side job," either as helpers on the instructors' side jobs, or putting their newly acquired skills to work on their own side jobs. This opened up a promising source of continuing income, a source likely to be available whether enrollees were placed in building trades jobs or elsewhere.

- The involvement of union journeymen was also

> useful to several prime sponsors. The CETA system has been viewed with suspicion by many unions, which see some training programs as a threat to union job security. Conversely, CETA officials have sometimes dismissed unions as supporters of the status quo, committed to blocking CETA workers from entering the labor force. Six prime sponsors reported that VICI was a useful vehicle for discussions with union leaders and members, providing a basis for a better relationship that could result in future joint efforts.

The links to education, youth referral and counseling services proved difficult to establish and/or maintain. The link sought between VICI and the education system seldom proved fruitful. The school system had little to gain from assisting VICI and, after a hard day's work, VICI enrollees showed little disposition to attend GED or adult education classes. VICI enrollees were often drop-outs, and they seldom returned to school unless it was required by the program. The one exception was driver's education, which many youths took to facilitate travel to post-program job sites.

The link with a referral network for youth proved to be very unreliable. No VICI city had a single agency available with a demonstrated capacity to recruit and refer youth. Many agencies dealing with youth were service providers themselves and consequently viewed the referral of substantial numbers of youth to VICI as not in their interest. VICI program operators ultimately established their own recruiting campaigns, making contacts with churches, mailing fliers, advertising in the news media and, in one case, taking to the street in a sound truck in order to recruit sufficient numbers to maintain a full census.

Links with agencies providing counseling and other support services were established somewhat more easily, but here, too, the agencies' self-interest worked against VICI. Most VICI programs found it easier to convince the prime sponsor to fund a counselor/job coach position or to obtain a graduate-level work-study counseling placement than to send VICI participants off-site for appropriate job-readiness and personal counseling.

Summary

The links that underlay VICI permitted the program to do more and to offer more while making it more difficult to keep the program in good working order. The reliance on links sometimes meant that important resources were not under the program's control. Other links that were at first regarded as sound, such as recruiting, proved to be loose and unresponsive. VICI programs had to learn to do without them. In many sites, however, the union and work-providing links grew strong and served as valuable, perhaps indispensable allies in the transition to local funding.

The "enhanced work experience" feature of the model meant that youths were not merely provided with work experience, but with skills training with a strong production emphasis that provided a "real work" environment. Crew sizes were small: the supervisor/trainee ratio was 1:6, considerably smaller than in other programs (where it often ranges from 1:10-1:20), in order to increase the skills acquisition of the trainees.

THE REPLICATION PROCESS

The replication process has long-standing appeal as a means of assuring quality service delivery over diverse and widespread geographic areas. Replication is, intrinsically, a centralized strategy for change that seeks to transplant a proven model to a variety of settings. Skeptics of replication have noted that too often concepts, structures and methods have been copied without attention to local conditions. Vogel has observed that "in considering various program models, it is important to recognize that what works in one particular place should not be expected ipso facto to be transportable to other settings or to other client populations."3/ Local labor market conditions, politics and program practices often combine to scuttle effective replication.

In replicating VICI it was recognized quickly that local support and cooperation was a critical ingredient for effective program operation. One powerful way of enlisting local involvement was the $1 million in discretionary money that successful sites received to cover VICI expenses. However, VICI planners went further by building in a set of options that could be selected locally. Important facets such as the exact nature and location of work projects, the designation of participating agencies, and certain embellishments of the model (e.g., incentive pay raises for youth) were local choices. Therefore, although essential features of the model were not permitted to vary, there was ample latitude for officials to adjust the model to local conditions.

In assessing its feasibility, replication was not viewed as a single event. It was seen as a multi-stage process with each phase having its own set of barriers and benefits. Four phases were evident during the VICI demonstration:

- Planning, which included designing the organizational and operational specifics of local VICI programs as well as securing commitments from unions, work-providing agencies and the other organizations called for in the VICI linkage system.

- Implementation, which assessed how closely sites adhered to the model during the demonstration period and how the model fared in day-to-day operations.
- Transition, which covered a period of bridge funding in which five VICI sites received one-for-one federal matching dollars as they attempted to switch from 100 percent discretionary money to 100 percent local support.
- Institutionalization, which documented how well VICI programs fared in enlisting local financial support in order to become an ongoing part of the localities' employment and training programs.

The following section deals with obstacles faced and lessons learned during each phase.

Planning

Planning for the VICI model was executed in a fairly short period of time. Sites were screened for a variety of factors and in March 1978, DOL invited 15 sites to submit proposals. Not surprisingly, the attraction of almost $1,000,000 in discretionary money per site to operate the eighteen-month project was primary. All sites agreed to submit competitive proposals to P/PV and all met a one-month deadline for doing so.

The replication process was familar to many local program planners. They pointed to their experience with block grants that required localities to design programs to meet national guidelines and criteria as well as local needs. Moreover, several planners said that, as middle-level bureaucrats, they were accustomed to translating policy directives from senior management into specific programs.

Although, as noted in the discussion of implementation, actual execution of some of the essential VICI features was not always easy. However, most local program planners found few problems in comprehending and employing the concept of replication.

On the whole, sites were successful in securing commitments from unions, work providers and local management agencies and other required components of the extensive VICI linkage system. These commitments were incorporated into comprehensive proposals. Each proposal received an intensive review by teams of evaluators and was rated on all critical dimensions. These proposals were then tested at the sites, during which each link was scrutinized, potential worksites were observed and proposed management structures examined.

This strenuous process of field reviews proved useful, because weak links fell apart quickly under the scrutiny of an intermediary organization. Strong links, on the other hand, were reinforced by this process, because it demonstrated to program operators, unions and work providers the seriousness with which those commitments were regarded.

Following the review and revision period, P/PV recommended and DOL approved eight of the 15 applicants. The demonstration consisted of eight prime sponsors, representing mostly large cities in the eastern half of the nation: Atlanta, Broward County (Fla.), Chicago, Milwaukee, Newark (N.J.), New Haven, Philadelphia, and the South Bronx area of New York City.

From the replication perspective, it was instructive to examine the prime sponsors that were unsuccessful in their bids. Common obstacles might point to conditions that frustrated replication. A number of obstacles (and combinations of them) appeared from this investigation. Three prime sponsors were unable to make reasonable, workable links with trade unions. One site could not lever funds for building materials and supplies from appropriate local agencies. Finally, two were dropped from DOL's list because of fiscal controversy or managerial weakness in the prime sponsor. No one obstacle emerged in all of the unfunded sites, suggesting that no one essential feature of the VICI model was unachievable.

The experience of the planning and application process offered several valuable lessons regarding replication in general and the replication of VICI in particular:

- Nearly all sites found the million dollars in discretionary funds a strong incentive. It represented a sizable increase in local youth budgets. (For example, Los Angeles' total YCCIP budget without VICI was about two million dollars.)
- The degree of political support influenced the speed and quality of the work. Successful sites were supported by local political elites, while unsuccessful ones were not.
- Prime sponsors with solid relationships with local public organizations and unions were able to secure the commitments required in VICI. However, some sites used VICI as a catalyst to begin relationships, especially with trade unions.

Implementation

The transition from planning to implementation was a major shift, marked by the introduction of the program operators. Promises made in the proposals were put to the test. Although the operators at times resisted elements of the proposals, and although they encountered assorted start-up problems, none argued that the proposals or the model were inherently unworkable.

Four sites progressed in a smooth, uninterrupted manner. The other four had problems that stemmed from breakdowns in the linkage system. For the most part, the weak links were within public sector organizations and did not involve the union bond. In one of the four sites, almost everything went wrong; the remaining three sites experienced one or more of the following problems: misunderstandings between the prime sponsors and the subcontractor that was to have run the program; delays caused by the inability of the work-providing agency to produce a steady flow of work sites; the withdrawal and subsequent replacement of a work-providing agency; a local management agency's bureaucratic inefficiency; and slow delivery of community development monies required for building materials.

The success of the four sites that proceeded with relative ease into their operational phase seemed attributable to sound management and a dependable linkage network, rather than to similarities in program structure. In fact these four sites varied in management flow-charts, nature of work and sophistication of linkage networks. In two sites the prime sponsor doubled as the local managing agency: in two others, the programs were run by subcontractors. In two sites, the program directors were journeymen; in two others they were women who were not members of trade unions. One site worked with a single union; others dealt with as many as five. Some sites did only one type of community improvement (e.g., painting), others did home repairs, gut rehabilitation of abandoned housing or a combination of the two. In short, no one strategy surfaced as essential (or optimal).

Several VICI program features proved difficult to implement. The VICI design limited the geographic areas from which youths were to be recruited and required work at sites to be located in essentially the same areas. Youths and residents were expected to take special pride in improving their own neighborhood, and neighbors were expected to feel better about youths because of the good works in which they were engaged. This expectation was not borne out, due primarily to the logistics of recruiting youths and obtaining good work sites. The areas in which youths worked bore no relationship to their perceived "community."

Several lessons emerged from the operational phase:

- The VICI model proved replicable in the eight sites. The one feature of the model that seemed to have little bearing on the success of the program was the "target area" notion of having geographic work areas coincide with youth recruitment areas.

- Links with construction unions proved to be very helpful to successful program operation.

- The work-providing links proved valuable and far outweighed logistical and other problems.

- Other functions of the linkage system proved difficult to implement (e.g., educational and counseling support, youth recruitment), and were frequently assumed by program staff.

- Talented program managers were crucial; the model will not work without administrative strength.

Transition

The demonstration was designed to fund each program for 18 months, after which results would be weighed. As the demonstration period reached completion, P/PV encouraged the DOL Office of Youth Programs (OYP) to add new VICI sites and extend most of the existing ones. The veteran sites would act as mentors to new sites, so that eventually the VICI model might be institutionalized as a national network. After lengthy discussion, OYP judged it more prudent to delay further replication until the final research findings were obtained and analyzed.

It was decided, however, that the VICI sites deemed most successful by P/PV would receive continued support in the form of a one-for-one dollar match. OYP would provide half the funds needed to continue for an additional year beginning October 1, 1980, with the remaining 50 percent to be raised from local sources. Formula CETA funds could be used as part of the local match. P/PV recommended that the following VICI programs be considered for extension: Atlanta, Broward County, Milwaukee, Newark and New Haven. Three of the original eight programs were excluded due to poor placement efforts, or other management difficulties.

The OYP decision represented a major reduction in the financial incentive for replication. Instead of a million dollars of new money over an 18 month period, sites were asked to contribute more than $330,000 from local budgets. Inevitably, this meant shifting money from other programs to VICI. For two cities, this meant turning over their entire FY 1981 YCCIP allocation. The other prime sponsors were also favorably disposed to VICI and channeled funds from various CETA titles, community development block grants and other sources to provide their match. One could argue that VICI received a strong vote of confidence in the extension year when sites agreed to put up a half-share of operating costs despite the fact that in several instances this required dislodging existing grantees. However, it should be remembered that the matching funds did provide some financial incentive.

A month after the extension year began, OYP officials began moving cautiously as a new administration prepared to take office. The OYP failed to forward in a timely fashion any of its 50 percent share of VICI funding after the extension year began. Programs began to experience financial difficulties. Having used up all local matching funds, one site shut down when it became convinced that federal dollars would not be forthcoming. The other four sites scaled down operations to 30 enrollees, the minimum size considered feasible to run a VICI program.

Several valuable lessons were learned during extension:

- VICI proved that it could remain in operation in five sites despite a significantly weakened financial incentive. All five extension prime sponsors raised the matching dollars (up to $337,500) despite the political risk involved in cutting funds from other programs.
- The VICI program model demonstrated that it could maintain economies of scale with as few as five crews and still provide effective service. This fact extends the applicability of VICI to small cities and rural areas where the need for a full cohort of ten work crews may not be evident, but where there is need for community improvement. In addition, the scaled-down version may offer a fiscally viable option during a time when resources are scarce.

Institutionalization

The true test of a model's effective replication is in its capacity for institutionalization. Five VICI programs were successful in securing 100 percent local funding for fiscal year 1982. These included all extension sites except Atlanta, plus the Chicago program. The fact that local support was forthcoming after federal funding terminated and total CETA funds were reduced is testimony to the high value placed on VICI programs by local officials.

The fact that budgets of prime sponsors declined radically led to several program adjustments, although the program model remained intact. All sites scaled the number of participants down to roughly 30 and formally abandoned the "target area" feature. Predictably, levering dollars from other sources took on additional import. In one city, the work-providing agency was willing to underwrite the bulk of supervisory and administrative costs, leaving the prime sponsor to finance enrollee wages with CETA Title II-B funds. In another city, the community development agencys' previous contribution of $75,000 was increased five-fold for fiscal year 1982.

Lessons learned during the institutionalization phase draw upon the cumulative experience of the demonstration:

- Running the demonstration under the aegis of the local prime sponsor led to a sense of proprietory pride by local CETA officials. In many cases, the prime sponsor and other institutions in the linkage system turned into a strong advocacy network. As VICI matured, it was able to develop a power base that proved helpful in its local institutionalization when federal spending decreased.
- The early commitments by linking agencies, which may have derived somewhat from self-interest, seem to have given way to commitments to the VICI program itself. For example, the scaled-down version could provide only five instead of ten jobs for journeymen, an incentive that does not adequately explain the support that union officials gave in pressing for VICI's continuation at some sites.
- The work providers realized that VICI was cost-effective, as evidenced by their spending above and beyond what was needed for building materials.

In summary, it appears that replicating the VICI model is feasible under certain conditions that include a substantial monetary incentive. However, prospective sites should be closely monitored during the selection process to insure that prime sponsor staff have planning experience and that local CETA administrations are not at odds with prospective linking agencies, especially trade unions. During the planning stage the linkage commitments should be rigorously tested, as should the administrative capacity of the designated local management agency; a flaw in either of these components will jeopardize the program's effectiveness. The funding period for the program should run no less than eighteen months to allow for development of a local profile; then the decision on whether or not to continue it with local dollars rests less on political exigencies and more on the worth of the program to the community.

SUMMARY

A construction training program that manifests an extensive inter-agency linkage system can provide high-level skills training for disadvantaged youth. The stages of program replication that were analyzed as VICI progressed from a concept to a locally institutionalized program indicate a qualified success. However, idiosyncratic factors (e.g., the presence of an intermediary and a healthy up-front fiscal incentive) make it difficult to draw broad conclusions. This section limited its discussion to the feasibility of replication. The desirability of replicating VICI is a different matter and must include additional considerations such as the program's cost-effectiveness and its post-program effects on youth employability; issues which are addressed in subsequent chapters.

NOTES

1/U.S. Dept. of Labor, Employment and Training Administration, Office of Youth Programs, A Knowledge Development Plan for the Youth Employment and Demonstration Projects Act of 1977 p.17.

2/A list of all these reports and other interim VICI research reports is found in Appendix I.

3/Vogel, A.S. A Retrospective Survey of Programs for Youth Employment in the Private Sector, P/PV, March 1978, p2.

CHAPTER III: WORK VALUATION PROCESSES AND PRODUCTS

Policy analysts declare that:

> The overall efficiency of a public employment program depends primarily on the value of output produced by the program and the extent to which the program increases the postprogram earnings of participants. 1/

This chapter discusses the value of one of VICI's outputs: the community improvements themselves and the method of calculating their worth. A major goal of the demonstration was to develop a valuation method that could be installed as standard operating procedure in a range of community improvement projects. VICI was the field laboratory for designing and refining such a methodology.

THE NEED FOR A METHODOLOGY

The notion of systematically determining the dollar value of publicly sponsored work projects is a recent one. Although some interest in work valuation was triggered by the public work projects of the 1930's and by a few isolated efforts during the 1950's and 1960's, historic antecedents are scarce. Perhaps the most significant effort in this area to date has been the extensive research that Mathematica Policy Research, Inc. performed in the late 1970's as part of the National Supported Work Demonstration project.

The potential utility of work valuation is considerable. For a policy maker, accurate measures of the worth of outputs such as community improvements are instructive in calculating an investment's dividends. For researchers, the value of output is a critical ingredient in assessing the overall efficiency of a program. (This is exemplified in Chapter V, in which value-of-output statistics constitute an important component of the VICI cost-benefit analysis.) For program planners and operators, measuring the value of outputs can aid in evaluation, in setting production goals and in program management.

DEVELOPING THE METHODOLOGY

A basic question was how to measure the value of publicly-produced goods. One approach would be to determine what price the property owner would have been willing to pay for the product. But this was ruled out for two reasons. First, the YCCIP regulations stated that work was to be performed that would not have been undertaken in the absence of the program. Second, since many of the homeowners who benefited from the VICI projects were from low-income families, they simply could not have afforded the work. A simple market standard of worth could not be applied.

Another possible approach would be to ask what value the improvements made by VICI crews added to the market price of the property. But this approach is also flawed for several reasons. For one, gathering data would require years. Also, variations in the housing market -- from city to city, neighborhood to neighborhood, and month to month -- would make it extremely difficult to compare projects among VICI sites. Finally, in the case of public buildings, on which some VICI crews worked, the calculation of market value is problematic.

The selected approach was the alternative supplier price mechanism, which equates the value of output with the price an alternative supplier would set for work products equivalent to those produced by VICI. In construction work, the alternative supplier was typically a private contractor.

A textbook strategy for measuring the alternative supplier price would use published estimating guidebooks that provide unit costs for different types of construction work. This was inadequate for VICI because it lacked specificity and could not adjust for differences in the quality of finished products. DOL had requested that the methodology be amenable for incorporation into formula-funded Community Improvement efforts, 2/ so a system was developed that was straightforward, inexpensive and relatively simple to implement. In addition to computing work value, the system produces measures useful in cost-accounting and assessing the productivity of individual work crews and entire programs. Particular care was taken that the methodology not unduly burden front-line service delivery staff.

The work valuation methodology requires the collection of three kinds of data: 3/

- Cost data, which is collected on each job and includes administrative overhead and other program costs.

- Program estimates of the alternate supplier price of work performed. These estimates are provided by a member of the program staff, trained in estimating job costs.

- Independent estimates of the alternate supplier price for a random sample of jobs, which are provided by third-party professional estimators. They serve as a check for biases in the estimates of program staff. The resulting concordance ratio is used to calibrate the remaining program estimates.

In addition to these measures, the outside estimators are asked to make judgements of the quality of workmanship. Such assessments are incorporated into the quantitative measure of value produced (e.g., shoddy workmanship reduces the alternative supplier price). The standard measure used is whether the work is inferior, superior or equal in quality to that which the typical private contractor would perform.

The process of obtaining outside estimates and computing a concordance ratio is critical to work valuation and should take place on a regular, perhaps quarterly basis for on-going programs.

The VICI method varies from other systems that use the alternative supplier price mechanism for measuring the dollar value of output in its intention to design a uniform management information system applicable to the general range of construction-oriented community improvement programs. 4/ Other methods are research-oriented and not immediately replicable in day-to-day program operations. None entails a job-by-job cost-accounting system. Further, other results cannot be compared to those calculated in VICI because procedures for determining costs and value differ among methodologies. Readers wishing a more detailed description of the VICI methodology, accounting procedures and forms are referred to P/PV's Work Valuation Handbook. 5/

IMPLEMENTING THE METHODOLOGY

Few methodological problems were encountered during implementation, but several logistical ones emerged. During the first few months of implementation, extensive feedback was gathered from program staff. One result was revision of the form set and development of a streamlined form for small jobs. Though the data collection task was perceived as an added burden by service delivery staff, the system ran smoothly.

The system was not complicated or expensive. The total yearly outlay, for a single site excluding planning costs, was about $8,000. The system called for a part-time data editor ($2,500), 16 days of an outside estimator's time split evenly between time spent on the job and time spent preparing written estimates ($3,200), about $600 worth of computer services, 12 days of data analysis and report writing ($1200) and $500 worth of forms. This equals about one percent of a VICI program's annual operating budget of approximately $800,000. Additional but modest start-up expenses for staff training are inevitable.

Finally, the methodology is amenable to manual computation, but once the number of jobs grows beyond 50, computerized analysis is suggested. Programming expenses are small, given the directness of the computations, the form set and the existence of a tested program for checking and analyzing the data.

MEASURES OF OUTCOME

The methodology offers several outcome measures, such as:

- The total value of the work projects;
- The value created per program dollar of expenditure;
- The proportion of total program dollars spent at the work sites;
- The value created per dollar of work site expense.

The total value of the work produced is the sum of estimated prices that a private contractor would charge for all jobs done by the program, adjusted by the independent estimator's concordance ratio. Put simply, suppose a program estimates that it produced an amount of work during a calendar quarter that a private contractor would charge $10,000 to produce. However, the independent estimator's review shows that on average the value was only eighty percent of the figure estimated by the program (80% or .8 is the concordance ratio). The total value would then equal: $10,000 x .8 = $8000.

To compute the value created per program dollar of expenditure, total quarterly program expenditures are extracted from DOL quarterly forms and those from other funding sources. Continuing the same example, we set quarterly costs at $20,000. The value per program dollar expended would then be calculated by dividing total value produced by the total program dollars expended to produce it.

$$\text{Value produced per program dollar} = \frac{\text{Total adjusted value}}{\text{Total program dollars expended}} = \frac{\$\,8{,}000}{\$20{,}000} = 40\text{¢}$$

For every dollar of public funds expended, this hypothetical project returns 40¢ in the form of community improvements.

To determine what proportion of program funding is applied at the job site, the job-by-job cost accounting system supplies the total dollars spent at the job sites during the calendar quarter. This sum is divided by the total program dollars expended during the calendar quarter, to arrive at the proportion of program dollars expended at the work sites. To continue the example, assume that the job-by-job accounting system reports that $12,000 was spent at the job sites during the quarter. Dividing this sum by $20,000, the total program expenditures for the period gives a proportion of .60. In other words 60¢ of each program dollar is used directly for job-site activities. This "Direct Job Cost Ratio" is a useful gauge of a program's ability to hold down overhead and administrative costs and to maintain a production emphasis. It can also be combined with measures discussed earlier to provide a more direct indicator of productivity at the job site, namely the value created for each dollar of work site costs. Dividing the adjusted total value by the work site expenditures required to produce it gives this statistic. Using the example, dividing $8000 of total value by $12,000 of work site expenditures obtains a ratio of .66. This means that the average dollar spent at the work site produces 66¢ worth of community improvements.

Other useful measures can be generated by the work valuation system, such as the value added by youth labor and the ratio of start-up and overhead costs to direct job costs. These are discussed in an earlier P/PV report to the Department of Labor. 6/

FINDINGS FROM THE DEMONSTRATION

The results reported here come from implementation of the methodology described above. They document the value of output of the VICI demonstration and each of its sites, and illustrate the use of the methodology.

Value of VICI'S Output

Table III-1 shows the concordance ratio derived by comparing program estimates with outside professional estimates in the audited work projects. It also shows the size of the sample of audited jobs, which is expressed as a percentage of the total expenditures of each program (i.e., if a program spent $500,000 and jobs costing $200,000 were audited, the sample size is forty percent. 7/

The Table illustrates the utility of the concordance procedure. In two sites, program estimates and outside estimates were essentially identical; five sites had variations between 10 and 40 percent; one program dramatically overestimated its work value, yielding a very low concordance ratio. It is noteworthy that in two cases, programs underestimated value output. Estimation is an art, not a science, so the results it produces are just that: estimates. However, use of the outside estimator to provide a uniform and disinterested standard for estimation is of obvious importance, given the considerable variation among program estimates.

Multiplying the concordance ratios shown in Table III-1 by the total value estimates produced by the programs yields a basic measure of total value output. It is important that this be computed on a program-by-program basis because a uniform statistic such as the weighted mean would not only ignore extensive variation in value from one site to another but would preclude using the statistic as a management tool. A second measure, value produced per dollar of total program expenditure, is derived easily by dividing total value by total program expenditures. These two measures are displayed in Table III-2.

Table III-1

Work Value Concordance by Site

Site	Proportion of Total Program Expenditures Assignable to Independently Estimated Jobs[1]	Concordance Ratio[2]
Atlanta	.20	.667
Broward	.10	.624
Chicago	.35	.996
Milwaukee	.12	.879
Newark	.05	1.286
New Haven	.07	1.148
Philadelphia	.33	.966
South Bronx	.11	.254
Weighted Mean	.21[3]	.85[4]

1. Proportion of expenditures is a better measure than the number of jobs audited, since jobs within sites and between sites ranged dramatically in scale from rehaning doors to gut rehabbing a multi-family dwelling. The actual number of jobs with usable audit data was 81, distributed in varying numbers across the sites from 2 jobs in Chicago to 28 in Milwaukee. The original number of jobs audited was 106; however, not all data were usable because of errors in reporting.

2. Independent estimate divided by program estimate for the same jobs.

3. Mean weighted by dollar expenditure per site.

4. Weighted mean = "independent estimator's total value" divided by "site estimator's total value."

Table III-2

Work Value Results by Site

Site	A Total Program Expenditures[2]	B Total Work Value Produced[3]	Work Value Produced per Dollar of Program Expenditure
Atlanta (6/30/80)[1]	$1,109,608	$230,755	.21
Broward (6/30/80)	$987,364	$844,083	.85
Chicago (10/1/80)	$1,417,226	$490,927	.35
Milwaukee (3/31/80)	$1,002,613	$544,303	.54
Newark (3/31/80)	$945,701	$758,500	.80
New Haven (6/30/80)	$1,134,687	$386,285	.34
Philadelphia (6/30/80)	$1,440,552	$440,475	.31
South Bronx (6/30/80)	$987,786	$49,527[4]	.05[4]
	$8,037,751	$3,744,855	.47[5]

---

[1] Dates in parentheses reflect end of period of work valuation data collection.

[2] Includes participant costs, staff costs, administration, overhead, materials and supplies and all other construction costs.

[3] Adjusted sum of program estimates of private contractor prices for doing the same jobs.

[4] These numbers are so low that one wonders whether the general management problems in the South Bronx hampered the reporting of requisite data for work value calculations.

[5] This weighted mean was calculated by dividing the sum of Column B by the sum of Column A.

As the table shows, the VICI demonstration produced $3.7 million worth of community improvements, or, using the value/expenditure ratio, provided $.47 of work value for every $1 of program costs. Among sites, the expenditure/value ratio varied substantially, with Broward County returning the highest value for a dollar ($.85) and South Bronx the lowest ($.05).

The interpretation of these ratios is not straightforward: a higher ratio is better than a lower ratio only if all else -- such as the training value of the program -- is equal. But there are trade-offs between training goals and production goals that must be taken into account in deciding whether a given ratio or value is "good." Nevertheless, we would argue that any program returning less than $.30 on the dollar (using this methodology) evidences productivity problems.

Quantitative Measures of Program Efficiency

The work valuation methodology led to some unforeseen benefits for local management. As the system jelled some project directors began to use selected data from the work valuation form set to graph job timelines and crew assignments. The method could also generate statistics to aid P/PV in assessing program performance, for example, the proportion of program dollars spent at the job sites, and the value created per dollar of job site expenditure.

Using Atlanta and New Haven data for purposes of illustration, these statistics are listed in Table III-3:

Table III-3

Selected Statistics for Program

Site	Proportion Program $ Spent at Job Site	Value Per $ of Job Site Expenditure
Atlanta	$ .62	$ .35
New Haven	$ .42	$ .80

Atlanta allocated substantially more funds to job site functions, 20¢ per dollar more than New Haven. However, those monies used directly at the work site produced less than half the value in Atlanta than in New Haven (35¢ vs 80¢).

These findings led P/PV to examine each program more closely. New Haven was found to be using substantial funds for counseling and other ancillary services. While such services are important, their magnitude in a work-intensive community improvement program should be held to levels less than that in New Haven. In terms of job site productivity, Atlanta's comparatively low return (35¢ per dollar) could have been due to the selection of work sites. Small tasks requiring several specialized trades could have reduced Atlanta's value of output. A different choice of work orders might be considered.

As these illustrations show, the work valuation methodology constitutes a potentially valuable tool for day-to-day program monitoring. Few other techniques can yield useful numbers in such a timely fashion.

Quality of Work Produced

Implicit in the legislative mandate for "tangible and lasting" community improvements is the issue of quality. Neither the municipality, the homeowner nor the program participants will benefit fully if poor quality work is done. The independent estimators' reports address the question directly: "How good are the community improvements?" As part of the outside estimation process, each estimator, using "the average work of a professional contractor" as a rating standard, was required to judge the work on four scales: 8/

- appearance of the final product,
- preparation of work surfaces and clean up,
- quality of materials used,
- quality of workmanship.

Table III-4 presents the ratings of 73 jobs for each of the four criteria. VICI products equalled or exceeded the work of a typical contractor in over 90 percent of the cases. In 31 percent of the ratings, the VICI work products were judged above the average work of a private construction firm.

On specific factors ratings, preparation/clean-up as well as quality of workmanship were both below average or worse than typical contractors in 14 percent (n=10) of the 73 jobs. However, these same two factors were above average in 52 and 26 percent of the cases respectively. Quality of materials tended to be on a par with general contractors, with VICI holding a slight edge. The finished appearance of VICI work products was positive, surpassing the average standard 39 percent of the time.

Although the evidence is vulnerable to the usual biases of subjective rating scales, it attests to a high quality of work produced by youths under journeyman supervisors.

Interpreting the Work Value Data

As noted above, it is not an easy matter to determine what constitutes a "good" work value ratio, if one is trying to make an overall asessment of program effectiveness. As other researchers have established, 9/ employment and training programs whose products require little skill on the part of participants

Table III-4

Independent Estimators Ratings of Job Quality Based on 73 Jobs*

Judgement	RATING (Based on Average Work of a Professional Contractor)					
	Far Below Average	Below Average	Average	Above Average	Far Above Average	Total Count on Ratings
Appearance of the Final Product	4%	7%	51%	36%	2.7%	100%
Preparation of Work Surfaces and Cleanup	5.6%	8.5%	33.8%	50.7%	1.4%	100%
Quality of Materials Used	0%	0%	91.7%	6.9%	1.4%	100%
Quality of Workmanship of Job	1.4%	12.3%	60.3%	26.0%	0%	100%
Total	2.8%	6.9%	59.2%	29.8%	1.4%	100.0%

---

* This is a subset of the 106 jobs which were audited for work value, a subset for whom data were usable.

will typically return a higher proportion of expenditures to value of output. For example, a leaf-raking project has a reasonable chance of returning a dollar of value for every dollar of expenditure, since participants will come to the job possessing virtually all the skills they need to be maximally productive. On the other hand, a program requiring a high degree of skill, as is the case with construction projects using skilled crafts such as masonry, carpentry or electrical work, will encounter training expenditures that generate little or no valuable product while participants acquire a skill. This trade-off is inevitable in programs that have as their goal not only production of community improvements but also the improvement of the future earnings of participants.

VICI was such a program and there is some correlation between sites with a high work value-ratio and sites whose work projects involved repetitive assignments and relatively fewer skills. In Newark, for instance, painting public facilities was the primary type of community improvement. Youths acquired enough painting skill to be productive fairly quickly, and the high ratio of value to expenditure reflects this fact. By contrast, in Chicago, Philadelphia and New Haven, complex gut rehabilitation work was a major element of the program. Youths took longer to learn the complex skills involved and work value ratios were therefore lower.

How then, should these work value statistics be interpreted? The answer depends upon the kind of assessment sought.

First, the question of whether the trade-off between training costs and value-creating costs is acceptable is best answered through cost-benefit analysis. Since participant earnings gains and the value of community improvements are both used in computing the benefits of the program (see Chapter V), obtaining acceptable benefit-cost ratios is the most reasonable way to determine whether the trade-off has been reasonable. (The common sense assumption here, is that programs that lack a healthy emphasis on production will not produce training that generates future labor market benefits for participants.)

A supplementary approach to cost-benefit analysis is to compare work value results of programs that offer similar kinds of work. It is almost impossible to compare work and training value precisely, but a reasonable estimate of comparability can be made. It is then possible to say which program has a better work value ratio. It should be noted that these normative comparisons are possible only when there are a large number of cases on which to form judgements -- a condition not satisfied by an eight-site demonstration.

The results presented above indicate that not all low work value ratios are a result of the training/productivity tradeoff. Some can result from excessive overhead costs or loose management practices. Similarly, when different work crews within a program yield different ratios of work value to job site costs while doing similar work, management assessments of crew performance are possible. In other words, before assuming that a low work value ratio in a high skill training project is a result of the trade-off, one should re-examine the data to determine whether management problems contribute to the result.

Finally, work value methodology does not permit comparisons of VICI value of output with those measured by different systems. Even when alternative supply prices are used, differences in accounting procedures mitigate against such comparisons.

SUMMARY

This chapter described a system for assessing the value of work produced by VICI. Following DOL guidelines, the methodology was kept simple and practical so that it could be replicated in other community improvement programs. Although it entails "filling out more forms" at the site, the system seems workable and capable of generating information useful to policy makers, planners and researchers. An unpredicted benefit is the methodology's potential in the area of program management, as an aid in assessing productivity and in locating problems.

Developing the work valuation methodology in an applied setting resulted in a number of VICI-specific findings. According to independent estimator ratings, the community improvements generated by VICI crews equaled or exceeded the quality of work performed by a typical professional contractor in 90 percent of the cases. Further, the VICI demonstration returned 47¢ worth of output for every public dollar invested; $3,744,855 worth of tangible community improvements resulted from the demonstration over the 18-month measurement period.

NOTES

1/Kemper, P. and Moss, P. "Economic Efficiency of Public Employment Programs", in Creating Jobs, J. Palmer, editor, The Brookings Institution, Washington, D.C. 1978, pp. 283-284.

2/Knowledge Development Plan for the Youth Employment and Demonstration Projects Act, op. cit., p.17.

3/R. H. Minnehan, of Program Evaluation and Planning Services, Inc. (PEPSI), was extremely helpful in developing the work valuation methodology. Subsequently he performed all the quantitative work. In this chapter, ratios and tables derive from his work.

4/A Study of the Value of Output of Participants in the Summer Youth Employment Program, Zimmerman, D., Mathematica Policy Research Corp., 1980. Program Process, Costs and Consequences: A Comparative Analysis of YCCIP Enrichment, Gunn, A. Employment and Training Administration, U.S. Dept. Of Labor, 1980.

5/Work Valuation Handbook, Public/Private Ventures, Philadelphia, Pa. 1981. Kemper, P. and Long, D. The Supported Work Evaluation: Technical Report on Value of In-Program Products and Costs, Mathematica Policy Research, unpublished paper, 1981.

6/Ventures in Community Improvement Program: Third Interim Report, Public/Private Ventures, Philadelphia, Pa., Winter 1979-1980.

7/Percentage of expenditures is a better measure than the number of jobs audited, since jobs within sites and between sites ranged dramatically in scale from rehanging a door to gut-rehabbing a multi-family dwelling. The actual number of jobs audited was 106, distributed in varying numbers across the sites from two jobs in Chicago to 28 in Milwaukee.

8/In the work valuation methodology, these four scales were then collapsed into a single variable used in adjusting the value of the work; the variable registered by what percent the work products should be devalued because of below-average quality.

9/Kemper, P. and Long, D. op cit.; Taggart, R. A Fisherman's Guide: An Assessment of Training Strategies for the Labor Market's Leftovers, W.E. Upjohn Institute for Employment Research, Kalamazoo, MI, 1981.

CHAPTER IV: THE IMPACT OF VICI ON PARTICIPANTS

This chapter addresses a major question posed in the Department of Labor's Knowledge Development Plan. "What is the impact of VICI on the labor market outcomes of youth?" To address this question, the post-program labor market experiences of VICI participants are compared to those of youths who went through a HUD demonstration and selected YCCIP programs, and to those of a comparison group. Comparisons are also made with the termination data of other programs. The chapter begins with a discussion of the research design used to answer the question of program impact. Presentation of the findings follows, beginning with a glance at participant characteristics and outcomes at termination. This is followed by a summary of the follow-up analyses.

Since the remainder of this chapter deals with the research design and technical issues, we briefly summarize here the major results of the analyses to be presented. From comparisons to a control group, where individual differences are held constant, we found that, after eight months:

- VICI youth are much more likely to be employed than control youth;
- VICI youth are more likely to be in union apprenticeships or on waiting lists;
- VICI has an average impact of $321 (1980 dollars) on youth's quarterly earnings, yet for some individuals the effect can be as large as $1050.

In comparing VICI to selected HUD and YCCIP programs, no program model surfaced as clearly superior; some differences favored VICI while others favored the other programs.

SELECTION OF PROGRAMS FOR COMPARISON

To answer the question of program impact it was decided that termination data and follow-up information would be obtained on youths who participated in comparable programs and that follow-up information would be acquired on a control group of youths. The pool of programs for possible comparison in the eight VICI cities included: the categorically-funded YETP and YCCIP programs and the HUD demonstration (a discretionary YCCIP-funded demonstration operating in ten cities). YETP and YCCIP had programs in all VICI cities, while the HUD demonstration operated four of its ten programs in VICI sites. Table IV-1 describes the essential features of these programs.

YETP was eliminated immediately as a possible comparison because it often had divergent goals and participant profiles. For example, in the eight VICI sites, 86 percent of YETP youths

Table IV-1

Profiles of Potential Comparison Programs

Program Characteristic	VICI	YCCIP	YETP	HUD
1. Funding Patterns and Scope	Discretionary DOL money; programs run by either prime sponsor or community-based organization; one program per city; generally, very large scale grants (i. e., > $660,000 per year); projects expected to generate additional funds from other sources.	Formula-funded DOL money; allocated through prime sponsor; projects usually run through community-based organizations; number of projects range from very small (e.g., 1) to very large (e.g., 42) in each city; grant sizes vary (e.g., from about $100,000 to $500,000), generally, moderate scale; scale of projects similar within but not between cities; some leverage of funds from other sources.	Formula-funded DOL money, allocated through prime sponsor, projects always run through community-based organizations, including school districts; 22% of funds earmarked for in-school youths, generally, very large number of projects within city; large variation in scale of projects (e.g., from under $10,000 to over $500,000); scale of projects varies within and between cities; projects do not generally receive large amount of external funds.	Discretionary DOL money; interagency agreement with HUD; money allocated directly to community-based organization; no involvement of prime sponsor; generally very large scale grants (i.e., > $500,000 per year); one project per city; programs expected to leverage funds from other sources.
2. Program Goals and Objectives	Major goal of projects is unsubsidized employment, preferably in construction-related jobs; promote skill development; major tangible community improvements; very homogeneous set of goals.	Provide needy youth with well-supervised work that provides tangible benefits to the community; foster development of specific job skills: emphasis on placement into unsubsidized jobs; there is some heterogeneity in project goals with regard to focus on employment.	Enhance job prospects and career opportunities of young persons, particularly economically disadvantaged, to enable them to secure unsubsidized employment in public and private sectors; deal with structural unemployment problems of youth; enhance employability skills; get youths to remain in or return to school; very heterogeneous mix of project goals.	Provide youth with meaningful work experience that results in tangible community improvements; development of specific job skills, emphasizing construction-related skills; heavy emphasis on placement in unsubsidized jobs; some heterogeneity of goals for projects with in-school youths.

BEST COPY AVAILABLE

Table IV-1 (continued)

Profiles of Potential Comparison Programs

Program Characteristic	VICI	YCCIP	YETP	HUD
3. Participants	16 - 19 years old, unemployed, out of school, economically disadvantaged; large number of 18 - 19 year olds; some special segments, e. g., offenders, females; all projects have slots for 60 youths.	16 - 19 years old, unemployed, in or out of school, economically disadvantaged; low number of females; projects usually have small number of slots, e.g., 6 to 40, typically.	16-21 years old, unemployed, underemployed, in or out of school, preference to economically disadvantaged; relatively large number of special segments served; majority of participants female; number of slots varies widely, e.g., from 10 to more than 500.	16 - 19 years old, unemployed, in or out of school economically disadvantaged; projects usually have large number of slots, e.g., 50 to over 200; number of slots varies seasonally.
4. Types of Activities and Services	Provide high degree of skill training in all construction trades; work experience in community improvement projects such as public works, major and minor home repair and rehabilitation, gut rehabilitation, painting, weatherization; some support services; linkage system with several public agencies.	Provide participant with constructive work in terms of individual and community benefits; work in areas such as rehabilitation, neighborhood improvement, weatherization, basic home repair, energy conservation, etc.; some training in various construction trades; some support services; many individual projects deviate from intended services and activities.	Provide work experience in areas such as general community betterment, education, health care, food service, transportation, crime control, etc., in public sector; in-school programs; outreach, assessment, counseling, transition to work, career exploration and development, employment services, GED training, basic skills training, job sampling, specific skill training, job restructuring, job developing, sex equity, etc.; usually a combination of above services.	Provide constructive work in terms of community and individual benefits; public works, home repair and rehabilitation, weatherization, repair of community facilities; training in most construction trades; some support services.
5. Intensity and Duration of Skill Training	Very high intensity of skill training through union instructors; most participants remain in program for extended period of time (i.e., more than 6 months).	Intensity varies greatly ; generally moderate level of intensity, though many projects are very low and a few high; in general, somewhat low duration (i.e., 4 to 6 months).	Generally, low intensity of skill training and duration (can be long term, but generally on part-time basis); a large number of participants receive only a very small amount of services.	Generally, high level of intensity and duration of training, except for in-school participants.

BEST COPY AVAILABLE

were high school students, while almost none of the VICI participants were in school.

The HUD and YCCIP programs more closely resembled VICI, but some differences remained. Program scale varied immensely with YCCIP programs often serving ten or fewer youth. VICI and HUD were large-scale, single efforts within each city, although HUD projects at times enrolled more than twice VICI's standing cohort of 60 participants. Supervisory ratios varied by program, with VICI being the lowest at 1:6. The nature of the work was not strictly comparable. VICI was totally construction-oriented. HUD was similar for the most part, but included less skilled activities, especially landscaping. Many of the YCCIP programs featured no skill training (neighborhood clean up and basic landscaping were frequent activities) and did not stress job placement in the construction trades as a program goal. Nationwide, YCCIP projects were less complex than VICI and "were organized to do the type of work which youth could already perform or could master with very little effort." 1/ HUD and VICI youths tended to remain in their respective programs several months longer than their YCCIP counterparts. Finally, considerably more YCCIP and HUD youths were in school. 2/

In order to identify the HUD and YCCIP programs that were more similar to the VICI effort, the following selection criteria were established:

- recruitment of out-of-school youth,
- focus on community improvement and skill training,
- work in the construction trades,
- job placement in the construction trades as a desired program outcome,
- adequacy and availability of data,
- in the case of YCCIP, at least 60 enrollees per city.

After visiting the HUD programs and reviewing prime sponsor planning summaries of all YCCIP programs in VICI cities, P/PV chose a total of 15 programs in five cities (11 YCCIP and four HUD programs) for comparison with the VICI programs in the same cities. 3/ Table IV-2 lists these programs. (Appendix III briefly describes each of these programs.) It should be noted that although all possible HUD programs were included, many YCCIP programs were excluded from our comparison because they did not offer skills training in the construction trades. Despite attempts to choose comparable programs, some differences remained: YCCIP and HUD programs included substantial proportions of in-school youths and VICI did not; YCCIP programs, despite our se-

Table IV-2

Programs Selected for Comparison in Five Cities

City	VICI Program	HUD Program	Formula-funded YCCIP Program
Atlanta	● Atlanta Urban League	● Exodus, Inc.	
Chicago	● 18th Street Development Corporation	● The Woodlawn Organization	● Kenwood-Oakland Community Organization ● Puerto Rican Congress ● South Austin Realty Association ● Voice of the People
Newark	● Mayor's Office of Employment and Training	● North Ward Educational and Cultural Center	
New York	● Operation Open City	● People Development Corporation	● Banana Kelly Community Improvement Association ● Opportunities Industrialization Center of New York ● Prospect Heights Neighborhood Corporation ● University Settlement Society of New York
Philadelphia	● Franklin Foundation		● Community Action Program/ Youth for Change ● Mantua Youth Painting Program ● Simmons Youth Development Guide

lection process, differed in the types of community improvements done.

In designing the control group, strict random assignment into VICI and the control group was desirable in order to minimize the effects of self selection on the treatment group. But strict random assignment was not used because of objections from DOL. Also, the pressing need to get VICI operating with a full cohort of 60 youths precluded delaying intake until a sufficient pool was amassed from which random selection could take place. Building up such a pool would have pushed back the demonstration timetable too far, especially in light of the early recruiting problems that many sites encountered. Therefore, the design called for a program to enroll its first 60 youths and to screen another 20 or so "waiting list youths" to fill early vacancies.

Having accomplished these steps, each VICI program was told to continue intensive intake for several months, using the identical screening and selection criteria, until approximately 200 more youths were enlisted and assigned by lottery to "macro-waiting lists." It was predictable that the first 60 of these youths would get a chance to enter VICI before the demonstration had run its 18-month course, because a youth's tenure was limited to 12 months. It was equally predictable that those youths occupying the tail end of the waiting list would not have a chance for VICI. For youths "in the middle," approximations were made as to whether and when a VICI slot might become available. P/PV staff in Philadelphia assigned a lottery number and youths were informed of their likelihood of filling a VICI position. This was done in order to keep false hopes to a minimum. For a youth who had little or no chance of entering VICI, or who chose not to wait, full effort was made by local staff to place the youth in an alternative CETA program.

"No treatment" control groups were avoided. Since the control group was optional and not mandated, P/PV negotiated this with each site. Although all sites agreed to attempt assembling a control group, only four cities were successful (Atlanta, Milwaukee, Newark and Philadelphia). Some argued that persons on waiting lists produced inadequate control or comparison groups because less motivated youths will hear about the program last. While these "self selection" arguments may have some validity (although untested), obtaining a group of youths who were assigned by lottery to the waiting list and the program served to diminish potential motivational differences.

As a result, the research design entailed four study groups (construction-oriented YCCIPs, HUD demonstration programs, VICI participants and controls) spread somewhat unevenly across the eight sites.

PARTICIPANT CHARACTERISTICS

As can be seen from Table IV-3, VICI successfully met its

Table IV-3

Aggregated Summary of Participant Background Characteristics FY 1979-80 Combined

	VICI	YCCIP[1]	HUD
Total Number of Participants	1423	2705	1365
Sex			
Male	82%	74%	80%
Female	18%	26%	20%
Age			
15	1%	NA[2]	26%
16	8%		
17	23%		26%
18	35%		25%
19	32%		21%
20	1%		2%[4]
Ethnic Group			
White	5%	6%	22%
Black	79%	77%	65%
Hispanic	15%	16%	13%
Other	1%	<1%	<1%
Educational Status			
H.S. Student	2%	21%	74%
H.S. Dropout	74%	66%	
H.S. Graduate	23%	13%	22%
Post H.S.	1%	1%	5%
Economically Disadvantaged	99%	97%[3]	NA
Public Assistance	40%	44%[3]	NA
Offender	8%	7%[3]	13%

1. Information is from all YCCIP programs in VICI cities rather than those selected for comparison.

2. Not available.

3. Philadelphia excluded from these totals.

4. Age 20 and over for HUD.

mandate of serving economically disadvantaged, minority youth. VICI participants were out-of-school, predominantly male (82 percent), economically disadvantaged (99 percent), minority (95 percent), and educationally disadvantaged (only 24 percent had a high school diploma). Reading ability scores were obtained for the VICI sample as well as controls for use in the multivariate analysis. While the majority of those served were 18 or older, a significant proportion (32 percent) was under 18. This was problematic because those completing the program before age 18 encountered formal and informal barriers to entry into the construction trades because of their age (e.g., state regulations against the use of power tools and minimum apprenticeship age requirements).

The rest of Table IV-3 indicates how the VICI population differed from those served in HUD and YCCIP programs. While the characteristics of participants are comparable on most dimensions, YCCIP served a much higher proportion of in-school youth. (This is also the case with HUD, though reliable data are not available.)

Additional information on the VICI participants included in Table IV-4 describes their previous experience with job training programs and employment. Nineteen percent of the participants had previous job training experiences; seven percent of the participants had construction-related job training. Of the youths who had participated in previous job training programs, few had positively terminated from these programs. Twenty-four percent of VICI participants had no past employment; 41 percent had once held an unsubsidized job, and nine percent had been employed in a construction-related job.

TERMINATION DATA

Most employment and training programs use termination data as performance criteria for their programs because they cannot follow up on their participants. Despite the well-known limitations of termination data (in particular, the fact that it does not measure the long-run effect of a program), it is presented here not only to show what happened to youths at termination but also for comparison with other programs.

A few caveats must first be made. First, termination information on controls was not available since they did not necessarily enroll in a program. Second, these data were obtained from local CETA data bases (or P/PV's management information system in the case of VICI) and are plagued by some ambiguities in the definition of termination. Third, all YCCIP programs in the VICI cities, rather than those programs selected for the follow-up analysis, were used in the comparison because CETA management information system data could not be disaggregated. Last, since these rely (at least for the HUD and YCCIP programs) on aggregate data, it is possible to present only descriptive statistics; multivariate analyses predicting terminations were precluded.

Table IV-4

Employment and Training Profile of VICI Participants October 1978 through September 1980[1]

	Number of Participants	Percentages
Previous Job Training Experience		
No prior experience	1160	81%
Secondary school program	78	5%
Non-secondary school program	198	14%
Both secondary and non-secondary	1	0%
Previous Job Training Program		
Construction-related	98	7%
Unrelated to construction	178	12%
No previous job training	1160	81%
Previous Job Training Program Outcome		
Positive termination	33	2%
Non-positive termination	197	14%
Other, administrative	47	3%
No previous job training	1160	81%
Previous Job		
Subsidized job	416	29%
Unsubsidized job	583	41%
Unknown	86	6%
No previous job	352	24%
Type of Previous Job		
Construction-related	133	9%
Unrelated	796	55%
Unknown	156	11%
No previous job	352	24%

---

1. Data source: Public/Private Ventures Management Information System.

Table IV-5 provides termination data from VICI, HUD and YCCIP. HUD programs had much higher positive termination rates (that is termination into a job, school or other employment and training programs) than either VICI or YCCIP. This is due in part to the fact that large numbers of HUD participants were in school, enrolled in HUD for the summer and returned to school in the autumn. VICI, on the other hand, surpassed all other programs in placing youths into jobs, at rates almost double those of the other two efforts. VICI had more negative terminations than the HUD program and about the same number as YCCIP. This is probably due to the fact that many youths in the other programs positively terminated by returning to school, an unlikely occurrence in VICI since it served no in-school youth.

Table IV-5, Part B, shows that, of those VICI youths who obtained job placements at termination, 66 percent were in the construction field; about half of those were union apprenticeships. Of all VICI terminations, 22 percent were into construction-related jobs, about half of them union apprenticeships. Most VICI apprenticeship placements involved the carpenters' and painters' unions, since the bulk of VICI work involved one or both of these craft areas. (Of the 80 crews operating in VICI nationwide at any one time, 44 were led by carpenters and 24 by painters. The remaining 12 were led by roofers, plumbers, electricians, brick masons and plasterers).

In summary, VICI did worse than HUD and about as well as YCCIP in the positive termination rate; however, VICI was much more successful than the other programs in placing youth into jobs.

THE IMPACT OF VICI ON POST-PROGRAM EMPLOYMENT AND EARNINGS

This analysis, deals with the impact of VICI on the employability of the participants, the likelihood of employment, type of jobs held, and earnings some months after program participation.

All analyses of the follow-up data were done by Econsult, Inc. This section is a summary of their work: "An Analysis of the Effects of VICI, HUD and YCCIP Programs on Participant Outcomes," prepared for Public/Private Ventures by David L. Crawford, with the assistance of Jeffrey M. Perloff, Douglas H. Blair, Jon R. Bumbaugh, and William L. Wascher. All follow-up interviews were conducted by Research for Better Schools, Inc. For a detailed description of the analytical methods the reader is referred to the Econsult report.

Methodological Issues

The analyses here are based on data from follow-up interviews with youths in all study groups. Interview schedules were fixed by DOL to occur at three points: one, three and eight months after termination from the program. Interviews for control

Table IV-5

Part A
Aggregated Summary of Participant Outcomes FY79-FY80 Combined[1]

	VICI		YCCIP[2]		HUD	
Number of Terminations	1183	100%[3]	2107	100%	1102	100%
Total Positive Terminations	519	44%	896	43%	672	61%
Placements	394	33%	250	12%	209	19%
Return to School	39	3%	280	13%	434	39%
All Other Positive Terminations	86	7%	367	17%	29	3%
Total Negative Terminations	664	56%	1211	57%	430	39%

Part B
Type of Placements in VICI FY79-FY80 Combined

	Number	Percentage of all terminations that were:	Percentage of all placements that were:
Placements	394	33%	—
Placements into Apprenticeships	117	10%	30%
Placements into Construction-Related Jobs (Including apprenticeships)	262	22%	66%

---

[1] South Bronx excluded as YCCIP and/or VICI information from this site was not available.

[2] YCCIP numbers are for all YCCIP programs in the eight VICI cities rather than only those YCCIP programs selected for comparison to VICI.

[3] Numbers may not add to 100 due to rounding error.

subjects were timed concomitantly with VICI participant interviews.

Some additional criteria were used to determine eligiblility for a follow-up interview. To be included in the follow-up sample, the participant had to have been in the program for at least 30 days. While this has the effect of not holding program operators responsible for the clearly transient, it is, in effect, creaming. That is, in HUD, YCCIP and VICI the least motivated were included while in the control group, a similar procedure was not followed. This may bias results in favor of program participation. Second, in-school HUD and YCCIP participants were excluded from the follow-up sample, an exclusion that increased comparability among the groups. Third, VICI participants had to have terminated after March 15, 1979. This last requirement was based on logistical considerations (program start-up and readiness to begin field interviews) and should not bias the findings. The first line of Table IV-6 shows the total number of subjects included in the study group.

Before moving to the results, it is important to assess whether the youths in the follow-up sample were representative of youths who participated in the program. This is a critical issue, since follow-up response rates were low despite extensive efforts by staff to locate and interview youth. Table IV-6 presents capture rates and the ultimate sample size. Lines 2, 3 and 4 present the number and percent of completed one, three and eight-month follow-up interviews. Because of the high attrition rate, a subject was included in the analysis if s/he responded in any wave of the interviews; line 5 presents these totals. (Some cases were lost due to missing data as can be seen by comparing lines 5 and 6.) Line 6 denotes the final sample size for the analysis.

Using a "last observation" approach, as opposed to a wave-specific one, substantially increased the number of observations. However, it eliminated our ability to assess whether program effects decayed over this eight-month period. This decision did not diminish the need to assess the representativeness of the samples; therefore the original VICI population was compared to the follow-up sample on 25 characteristics. Hispanics, youths who had never held a job before, and youths who headed their own households were underrepresented in the follow-up sample. 4/ In addition, termination status was compared.

The follow-up sample was not representative of all VICI participants on several counts. The follow-up sample included:

- significantly 5/ fewer youths who held jobs at termination (25 percent vs 30 percent); and
- significantly more youths who were recorded in the "other" positive category (23 percent vs 14 percent).

Table IV-6

Response Rate for Follow-up Interviews by Program and Sample Sizes for Multivariate Analyses

	VICI		Control		HUD		YCCIP		TOTAL	
1. Subjects available	805	100%	342	100%	514	100%	388	100%	2049	100%
2. Interviewed at one month	345	43%	126	37%	113	22%	32	8%	616	30%
3. Interviewed at three months	359	46%	113	33%	186	36%	101	26%	759	37%
4. Interviewed at eight months	297	38%	126	37%	185	36%	127	33%	735	36%
5. Interviewed at least once	510	63%	172	50%	302	59%	174	45%	1158	57%
6. Final sample size for follow-up analysis[1]	470	58%	131	38%	253	49%	166	43%	1020	50%
7. Final sample size for those analyses that only include working individuals	161	34%[2]	23	18%[2]	91	36%[2]	47	28%[2]	322	32%[2]

[1] Excluding missing data.

[2] Percent of final sample size.

Since there were significantly fewer job placements in the VICI follow-up sample than in the original VICI population, the comparisons of labor market outcomes between VICI and other programs or controls may be somewhat biased against VICI.

The HUD data base limited analysis to a comparison of the follow-up sample with the original population on aggregated demographic and background information recorded at intake. The following groups were over-represented in the follow-up sample: non-Hispanics, high school graduates, younger participants and family heads. It is difficult to gauge the net effects that these differences exert, because some differences might logically favor HUD while the others seem to tilt in VICI's favor.

The assessment of the representativeness of the YCCIP follow-up sample was also confined to comparing the follow-up sample with aggregated data from intake forms. Women, blacks, high school graduates and members of families were over-represented in the sample and, possibly, the sample was younger than the original pool. It is unclear how these differences might bias the YCCIP-VICI comparison, as some could operate in favor of YCCIP while others in favor of VICI.

The effects of attrition on the follow-up control sample cannot be assessed because there are no previous data. However, comparison of the follow-up control sample with the follow-up VICI sample showed that while there were some statistically significant differences, these samples had marked resemblances. What differences remain between the two follow-up samples are controlled for in the analyses that follow.

In summary, although there are some statistically significant differences between the follow-up samples and the corresponding populations, the samples are reasonably good representations of the original populations. It is difficult to determine precisely how the differences that were observed are likely to affect the comparisons across programs. A censoring analysis might control for the effects of selection into the follow-up sample's, but such an analysis was not done because of the resultant samples small size, time constraints, and recent controversy surrounding this technique.

Analyses and Findings on the Follow-up Samples

The analytical strategy isolated the programs' effects on the probability of holding a job, on quarterly earnings and, for working youths, on increasing their wages. The strategy involved first predicting the likelihood that a youth was employed during the last quarter of observation. For employed youths, a number of models were then estimated to assess program effects on several variables: their highest wage, the number of hours they worked and their weekly earnings. A summary model predicted quarterly earnings and included all youths, even those not working during the last period of observation. In addition, the effect of VICI on selected job characteristics (e.g., holding skilled construction jobs, apprenticeships and obtaining raises) was compared to other programs. In particular, this set of analyses tested whether VICI had a more pronounced ability to help get youths into higher paying, skilled construction jobs.

Table IV-7 presents means of the distributions of outcome measures for the four separate follow-up samples. Part A presents the percent of youths who were working and/or in school at the period of last observation; Part B presents the average percent of the last quarter worked and quarterly earnings. Part C applies only to working youths, and displays mean wages and earnings as well as other selected job characteristics. There are considerable differences across programs in outcome measures, with VICI outperforming the other programs in most cases. It should be noted that while VICI out-performed other programs, many VICI youths (close to 40 percent) were neither in school nor working. However, the data in this table are not adjusted for differences that could affect employment outcomes. These influences must be controlled for before one can determine the impact of the program.

The multivariate results presented here stem from models in which outcome measures are a function of dummy variables representing participation in the different programs or a control group, and a list of control variables: sex, ethnicity, age, education, family structure, differences in geographic location and the timing of the observation. Which technique was used depended on the distributional qualities of the outcome variable. Methods used were binomial logit (when the outcome measure was dichotomous), log-linear regressions (when the outcome was a continuous variable), and tobit analysis (when the outcome was continuous but truncated).

One problem that statistical adjustments could not overcome, however, is the size of the individual samples. Small sample sizes tend to produce wide-ranging estimates, making it more difficult for substantial effects to achieve statistical significance. In the following analyses, the aggregate sample size is 1020 for the models that include all youths regardless of whether or not they worked during the final quarter of observation. When the analysis is confined to youths who are working, the estimates of program effects are derived from a very small number of individuals (see line 7 of Table IV-6). In these instances, only extremely powerful effects achieve statistical significance.

Table IV-8 provides a summary of the results of program effects from these analyses. This table, presents only the results for the variables that indicate whether the individual was in a control group, HUD or YCCIP. VICI is the omitted category, representing a base of zero. In the table, negative numbers indicate that the other programs performed worse than VICI, while positive ones indicate the opposite. In each of these models, a number of variables were held constant. These

Table IV-7

Means of Outcome Measures in the Follow-Up Samples

Table IV-7A

School and Employment Status in the Follow-Up Samples

	VICI	Control	HUD	YCCIP
Percentage working	42%	17%*	46%	30%
Percentage in school	11%	10%	34%*	14%
Percentage both working and in school	05%	2%	13%*	04%

Table IV-7B

Means on Quarterly Earnings for All Members of Follow-up Sample

	VICI	Control	HUD	YCCIP
Average percent of last quarter worked	25.8%	10.6%*	32.8%*	21.9%*
Average earnings for last quarter	$570.70	$189.80*	$531.70	$312.00*

*Implies that the difference from the first column is statistically significant at the .05 level.

Table IV-7C

Summary of Characteristics of Jobs of Individuals Working at Last Observation

	VICI	Control	HUD	YCCIP
Starting wage	$4.23	$3.63	$3.58*	$3.42*
Highest wage	$4.72	$3.68*	$3.74*	$3.62*
Hours worked per week	36.9	37.0	34.8*	32.9*
Earnings per week	$175.50	$137.	$138.	$120.*
Percentage who had:				
a construction job	34%	12%*	16%*	14%
a skilled construction job	30%	12%	12%*	08%*
a subsidized job	12%	14%	14%	21%
a permanent job	69%	59%	62%	55%
a full time job	84%	79%	65%*	67%*
a union apprenticeship	14%	0%*	02%*	0%*
apprentice waiting list	8%	7%	06%	18%
tried to join union	32%	26%	19%*	20%
union member	17%	14%	08%*	6%*
promotion	06%	07%	27%	19%*
received raise	36%	33%	44%	44%
program helped in current job	63%	NA	61%	65%
use program skills on job	38%	NA	41%	37%

*Implies that the difference from the first column is statistically significant at the .05 level.

Table IV-8

Summary of Program Effects from Multivariate Analyses (VICI Program is the excluded category)

(Standard errors in parentheses)

	Control	HUD	YCCIP
1) [+]Likelihood of working[1]	-1.11*	.037	-.323
	(.282)	(.217)	(.244)
2) Highest wage per hour[2]	.119	-.037	-.051
	(.079)	(.057)	(.066)
3) Hours worked per week[2]	.037	-.091	-.162*
	(.088)	(.063)	(.073)
4) Earnings per week[2]	-.082	-.128	-.213*
	(.125)	(.090)	(.104)
5) Skilled construction job[1]	-1.38	-.618	-1.35*
	(1.10)	(.539)	(.669)
6) Union apprentice or waiting list[1]	-1.88*	-.830	.308
	(.931)	(.523)	(.577)
7) Raise received[1]	.116	1.26*	1.90*
	(.802)	(.465)	(.606)
8) [+]Quarterly earnings[3]	-1050*	294	-181
	(361)	(272)	(323)

[+] Equations 1 and 8 are estimated using the full sample of individuals. Equations 2 through 7 are estimated using only those individuals who worked during the period of observation.

*Significantly different from zero at the .05 confidence level.

[1] Estimation procedure is binomial logit model; coefficients can be interpreted as percentage differences from VICI in the likelihood of working.

[2] Estimation procedure is log-linear model; coefficients represent percentage differences from VICI.

[3] Estimation procedure is tobit model; coefficients represent dollar estimates. These numbers indicate what the maximum effect could be and must be adjusted in order to make statements about the average effect.

variables were sex, ethnicity, education, age, family structure, location and timing. Table IV-9 provides significant effects found in these analyses.

Findings on the probability of working pertain simply to the likelihood that a youth was employed during the last quarter of observation. Results are presented in Table IV-8, line 1. The coefficients in line 1 "Working" are odds ratios: those with a negative sign indicate lower probabilities than the VICI program while a positive number indicates a probability that is higher than VICI. The odds ratio that an individual works is the probability of his/her chances of working to his/her chances of not working. For controls, the odds ratio is minus 1.11 and is statistically significant. 6/ In other words, the likelihood of being employed was 111 percent higher for VICI youth than for the controls. 7/

The VICI-HUD and VICI-YCCIP comparisons were not statistically significant. It is noteworthy, however, that although not achieving an acceptable level of significance, the VICI-YCCIP odds ratio was of substantial size, with VICI youth holding a 32 percent edge over the YCCIP cohort in terms of probability of employment. There is virtually no VICI-HUD differential.

To answer the question "what works best for whom?" the effects of the VICI program were examined for variation with the control group by sex, ethnicity, age and educational status. Given information from the process documentation, one might have expected the program to be more effective for older youth and for men. However, no significant differences were found. It is possible that the restricted size of the follow-up sample made it difficult to find significant differences in program impact by individual characteristics.

Wage rates, hours worked and weekly earnings were examined next. Attention was restricted to youths who worked during the last quarter of observation and the question was posed: are there significant interprogram differences in these outcomes when individual characteristics are held constant? Lines 2, 3 and 4 of Table IV-8 present the estimated program effects for highest wage, hours worked and earnings. Although the estimates favor VICI in eight of the nine estimates, statistical significance was apparent only in the VICI-YCCIP comparison, where VICI youths worked 16 percent more hours and earned 21 percent more than their YCCIP counterparts. No statistically significant VICI-control or VICI-HUD differences were found. Nor did program effects significantly differ on the basis of youths' personal characteristics. These results from the model where variables are held constant differ quite markedly from the findings derived merely from comparing means in Table IV-7. Exploratory analyses clearly indicate that site differences largely explain this discrepancy. These large site effects could be due to variation among sites in one of the following factors: local economic

Table IV-9

Summary of Statistically Significant Effects from Multivariate Analyses

VICI versus CONTROL

VICI participants are more likely to be working.
VICI participants are more likely to be in an apprenticeship or on a waiting list for one.
VICI participants have a higher quarterly earnings.

VICI versus HUD

HUD participants are more likely to receive a raise.

VICI versus YCCIP

VICI participants are likely to work more hours.
VICI participants are likely to have higher earnings if they worked.
VICI participants are more likely to get a skilled construction job.

YCCIP participants are more likely to receive a raise.

conditions, well run prime sponsors, well managed linking institutions or other unmeasured factors.

The type of job in which the individual was employed at follow-up is important in that one of VICI's concerns was that its placement effort be focused on the construction trades, especially union apprenticeships. At a more general level, each of the programs in the study had as one of its goals the placement of young persons in jobs that were unsubsidized and of a permanent nature. The following dimensions were inspected for discernible program effects:

- employment in a skilled construction job,
- apprenticeship status, including being on apprenticeship waiting lists,
- union membership,
- job permanency,
- subsidized versus unsubsidized jobs,
- pay raises received.

In Table IV-8, program effects are presented on three variables: the likelihood of obtaining a skilled construction job, getting a raise, and being an apprentice or on a waiting list. The others revealed no statistically significant program effects.

In the model predicting whether the individual entered a skilled construction job (line 5 of Table IV-8), the estimates indicate that the odds of working at a skilled construction job were 135 percent higher for VICI participants than for YCCIP youths, a statistically significant difference. The estimated VICI-control difference was of a similar magnitude but was not statistically significant. The estimated HUD difference was also large (62 percent) but again was not statistically significant. It appears that, in comparison with other programs, the VICI programs were successful at getting disadvantaged youth into skilled construction jobs.

In the model predicting whether an individual was in an apprenticeship or on a waiting list for one (line 6 of Table IV-8), there is a statistically significant difference in the VICI-control comparison; the odds of being in or on a waiting list for an apprenticeship program were a significant 188 percent higher for VICI than for control individuals. VICI's 88 percent edge over HUD, was not statistically significant. The YCCIP-VICI differences favored YCCIP and were not as large, with YCCIP youth being 31 percent more likely to be in or wait-listed for apprenticeship than VICI participants although this difference was not statistically significant. Considered together, the results from these two regressions (the skilled construction jobs and apprenticeships) indicate that VICI has a substantial impact in placing disadvantaged, predominantly minority youth in jobs in the skilled construction arena where they are likely to make much higher wages in the long run. The fact that VICI did not evidence significant statistical gains in the area of union membership relative to controls is somewhat surprising but may be attributable to the custom that new apprentices pass a probationary period before being indentured as union members. Therefore, the timing of the interviews may have been premature in assessing this effect.

In the model predicting whether the individual received a raise by the last follow-up interview (line 7 of Table IV-8), we found significant advantages of the HUD and YCCIP program over VICI. YCCIP participants were 100 percent more likely to have received a raise than VICI participants; the comparable figure for the HUD-VICI comparison was 126 percent. This result is puzzling. Although a number of potential explanations for these findings were explored, none were supported by the data.

The variable that best captures the total impact of the program on labor market outcomes is quarterly earnings (line 8 of Table IV-8). This analysis included all individuals, regardless of whether they worked during the quarter of interest. 8/ Controlling for individual characteristics, the quarterly earnings of VICI participants significantly exceeded those of control individuals by as much as $1,050 (in 1980 dollars). This, however, is an upper bound estimate of the impact of the program. In order to get an estimate of what the average impact would be, we multiply the tobit coefficient times the average probability of working for VICI and controls (i.e., .306). Thus, the average program impact is $321.50 on quarterly earnings. Multiplying this figure by four results in an estimated average net annual gain of about $1,286 dollars for VICI participants over controls. In order to gain some perspective on the substantive importance of this effect, it is instructive to compare this program impact to the actual amount earned by those in the control group. Translating quarterly earnings into annual earnings shows that control individuals made an average $759 per year in the follow-up period. An increment of $1,286 on this size of base is substantial. VICI did not, however, do significantly better than HUD or YCCIP in affecting participants' quarterly earnings.

It is surprising that no overall statistically significant VICI-YCCIP difference was found, given that VICI significantly increased the weekly earnings of those individuals who worked, as compared to YCCIP. In the model assessing overall impact, the quarterly earnings model, it is probably that the effect of the program on the likelihood of working is a more important determinant of quarterly earnings than the impact of the program on a participant's wages if the individual worked. Therefore, the fact that VICI did not significantly increase the likelihood of working relative to YCCIP probably outweighs whatever effect VICI had on increasing wages if the individual worked. In addition, the higher wages of VICI youths who entered skilled construction careers may be partially offset by the instability of employment in the construction industry.

SUMMARY

Holding other variables constant, there are substantial differences between VICI participants and control individuals. VICI participants are significantly more likely to work in a given quarter. Participation in a VICI program can raise an individual's annual earnings by as much as $4,200 (in 1980 dollars), relative to members of the control group, whose (estimated) annual earnings averaged $759. But the average program effect is $1,286 a year. VICI was much more likely to get disadvantaged youth into or on the waiting list for apprenticeship programs. In short, VICI had substantial effects on disadvantaged youth when compared to a control group. An assessment of whether VICI works better for certain types of participants produced no significant results, probably due in large part to sample size issues.

When comparing VICI to other construction-related programs, the results were not as clear-cut. Controlling for individual characteristics, some statistically significant differences were found in outcomes between VICI and YCCIP participants. When working, VICI participants worked 16 percent more hours and earned 21 percent more than YCCIP participants, but there were no significant VICI-YCCIP differences in quarterly earnings. VICI significantly increased the probability that a youth received a skilled construction job relative to YCCIP. YCCIP participants were more likely to receive raises than were VICI participants.

HUD-VICI comparisons reveal no statistically significant differences favoring VICI and one favoring HUD (HUD participants were more likely to receive a raise). Statistical significance aside, VICI outperformed these other programs in some ways, but these results are ambiguous at best. While some favor VICI, there is no evidence that VICI has a more substantial effect on post-program earnings than YCCIP or HUD.

One important caveat is that the last follow-up interview was during the eighth month after youths left their programs. It could be that the short follow-up period has biased the evaluation. A major goal of the VICI program was to help participants enter skilled construction jobs; and there is evidence of some success in this regard. The financial value of obtaining such jobs might not be realized in eight months. Data from a more extended follow-up period is necessary to assess long term results. Unfortunately, the design of the survey does not allow for measuring the long run employability of the participants. In sum, while the short run effects of the VICI program are substantial, its longer term consequences remain unknown.

NOTES

1/Taggart, R., op. cit.

2/Fourth Interim Report on the VICI Demonstration, Public/Private Ventures, September 1981.

3/Of the 77 YCCIP programs reviewed, 39 percent were described as offering skill training and 41 percent were intended to be construction-related. Of those YCCIP's that met both criteria, several were dropped on the basis of other criteria.

4/Comparing just one characteristic at a time could be misleading. Therefore, models were estimated predicting membership in the follow-up sample. In the analysis, the same three variables had net effects on membership in the follow-up sample, holding the other characteristics constant.

5/"Statistical significance" indicates the likelihood of obtaining the program effects by chance when the real program effects are zero. A .05 confidence level is used in this report, meaning that the likelihood of results occurring by chance are less than five out of a hundred. When sample sizes are small, even large differences do not easily achieve statistical significance.

6/The analyses in this section are VICI-centered. For example, it would be inappropriate and possibly misleading to conclude syllogistically that if VICI shows significant gains over controls but not over HUD, HUD therefore must show significant gains over controls.

7/This difference in odds can imply changes in probabilities of varying magnitudes. For a control individual with a probability of working of 0.5, a 111 percent increase in his/her odds increases his/her probability of working quite substantially, to 0.68. But clearly, no such large increase is possible for an individual whose personal characteristics imply a probability of working of 0.9. The 111 percent increase in odds raises his/her probability only to .95.

8/Individuals who did not work during the quarter had a quarterly earnings value equal to zero, while individuals with positive earnings have that value for this variable. This model was estimated using a tobit model, which permitted management of peculiar aspects of the distributions of this variable.

CHAPTER V: COST-BENEFIT ANALYSIS

To determine whether VICI, or programs like it, should be continued, program benefits must be considered relative to program costs; that is, we must assess the cost-effectiveness of such a strategy.

It should be noted at the outset that we are unable to assess the cost-effectiveness of VICI vis-a-vis comparable programs such as HUD and construction-oriented YCCIPs. Although information on the impact of HUD and YCCIP on participants is available, comparable data were not available from these programs on the value of output produced or on per-participant cost. Even limited comparisons are unwarranted.

Although cost-benefit analysis is critical for the overall assessment of the VICI program, the method has certain limitations and uncertainties. First, many costs and benefits cannot be measured and are therefore not included in the calculations. Second, one must make judgements about the long-term stream of benefits from a snap-shot view of immediate post-program benefits. To minimize the risks inherent in such a procedure, a "best estimate," is provided, as well as estimates under alternative assumptions. The stance adopted here is deliberately conservative: wherever possible, numbers that tend to bias the case against the cost-effectiveness of VICI are used. This evaluation strategy demonstrates how sensitive the findings are to alternative assumptions and provides a basis for confidence in the conclusions.

This chapter describes the cost-benefit methodology used, provides information on VICI costs, and presents alternative estimates of the cost-effectiveness of the VICI program.

THE METHODOLOGY

There are three perspectives from which to analyze the costs and benefits of VICI. In descending order of scope, they are: society as a whole, taxpayers (that is the non-participants) and individuals (the participants).1/ The cost-benefit evaluation of the program described here reflects the societal perspective, because certain pieces of information to pursue the other two perspectives are lacking. Further insight, however, is provided from the standpoint of two key actors -- the prime sponsors and community development agencies.

From the taxpayer's perspective, the major benefits stem from reductions in transfer payments to the individual (e.g., food stamps, welfare payments) rather than the increment in taxes associated with increased earnings. The research design and its associated questions did not elicit information on transfer payments and changes before and after the program. This precludes measurement of the most important benefits from the taxpayer's perspective.2/ From the individual's perspective, reductions in transfer payments (which were not measured and cannot be confidently estimated) act as costs, and therefore offset whatever benefits the program produces in terms of post-program earnings. These are a major portion of costs from the individual perspective. Cost-benefit analyses from either of these perspectives include too many unknowns, resting on unreliable estimates of major components of either costs or benefits.

A cost-benefit analysis from the societal perspective presents problems that are not quite as serious; reasonable estimates of the major costs and benefits can be made. The societal perspective raises the question of whether society gains or loses goods and services as a result of the VICI program. This question is addressed by computing present values of the net gain or loss in societal resources. Transfer payments are not included. For example, stipends paid to VICI participants are not a real cost to society, merely transfers from taxpayers to participants. As transfer payments, they would appear both as a cost and as a benefit, thus cancelling each other out; therefore, we exclude youth stipends from the calculations.3/

From the societal perspective, VICI's costs include: (1) the costs of operating the programs at the eight sites, excluding the youth stipend component of these costs; (2) P/PV's costs for overseeing the projects; (3) the opportunity cost associated with participation in the program: the output (wages) the participants would have produced had they not been in the program; and (4) administrative costs incurred by the prime sponsor or Department of Labor (at the regional or national level) as they relate to the VICI project. There are no estimates of this last cost, and few evaluations of employment and training programs provide such estimates. These costs are assumed to be small relative to the overall cost of operating the program and would not be large enough to alter the research findings.

VICI's societal benefits should include: (1) increases in post-program earnings of participants, (2) output produced by the VICI projects, and (3) numerous other societal benefits that have not been measured by this study. The latter include reductions in criminal activities, savings from reduced participation in employment and training programs, reductions in welfare administrative costs, and drug treatment costs.4/ That this group of benefits cannot be measured implies that the cost-benefit analysis underestimates VICI benefits.

Two measurement issues were problematic. The first was the matter of what program costs should be included or omitted. The second was how to estimate the stream of benefits over time.

An important distinction had to be made between evaluating VICI as a demonstration and as an operational program. To evaluate VICI as a demonstration, one would have to count the research and development outlays as costs and the value of the "social learning" or "knowledge generation" of the demonstration in benefits. Since these latter costs and benefits cannot be gauged, VICI was evaluated as an operational program.

The second puzzling issue was how to extrapolate a yearly post-program impact on participants into a stream of benefits over time. The annual program impact was estimated at $4,200 a year (see Chapter IV), but there were no estimates of the rate at which VICI program benefits decayed or increased over time, a problem that confronts most evaluations of employment and training programs. The few studies that have inspected the issue of decay have produced ambiguous results:

> Hu et al (19) and Somers and McKechnie (31) found declining earnings impacts for vocational education after six years and for institutional skills training after five years; Ashenfelter (2) found declining earnings gains for males but relatively constant gains for females over a five-year period following MDTA institutional training; Borus (5) found increasing gains for five years following institutional training, and Borus and Prescott (7) found increasing earnings benefits for men completing institutional training but declining gains for the dropouts.5/

Although there is considerable controversy6/ surrounding the results of Ashenfelter7/, many have used his estimate of a decay rate of 17 percent per year in extrapolations of future benefits. Ashenfelter's figure was used in VICI, giving preference to conservative estimates when possible. One might expect less extensive decay (little decay, no decay or actual increases) in the effects of an intensive skills training construction program that places considerable numbers of its participants into apprenticeships, in which wages rise dramatically during completion of the apprenticeship.8/

A related issue in the estimation of a benefit stream from the social perspective is the perennially difficult issue of social discounting. A benefit stream must be discounted to reflect the real value that society places on future benefits, net of inflationary increases in dollar values. The choice of an appropriate social rate of discount is a "contentious" one because there is no consensus on what is appropriate. Figures actually used range from zero to 17 percent. Like those involved in evaluating the National Supported Work Demonstration, we believe five percent is a reasonable, though slightly high, estimate of the real social rate of discount.9/

COMPARING COSTS AND BENEFITS

VICI operating costs are presented first in Table V-1, with start-up costs amortized over a 30-month period. P/PV technical assistance and oversight expenditures are also included. Total

Table V-I

Cost of VICI Programs

	Amount	% of Site Cost	% of Total Cost
Total Costs at Local Sites 1/	$ 8,401,215	100.0	99.5
Youth Stipends	3,243,883	38.6	
Crew Chief	2,654,375	31.6	
Other Labor	320,496	3.8	
Administrative	846,572	10.1	
Materials & Supplies	1,305,363	15.5	
Pro-rated Start Up	30,526	0.3	
P/PV Costs 2/	453,117		0.5
Total Costs	8,854,332		100.0
Adjusted n of Participants 3/	977		
Adjusted Cost Per Participant 3/	9063		

1/Site costs that were incurred prior to the entrance of the first participant were amortized over a 30 month period, the normal length of a VICI program.

2/In calculating the P/PV costs, costs associated with start-up (e.g., formulating the model, selecting sites) and costs directly associated with research, such as personnel who were either totally or in part assigned to VICI were ignored. It was assumed that all time of the program officers and P/PV management involved with overseeing the eight VICI sites was spent on such activities and not on dealing with the sites on research issues or with DOL on "demonstration" issues. This is an overestimate of P/PV's cost of overseeing the eight sites as some proportion of this time (perhaps 20%) was spent on these other activities.

3/Two adjustments were made to the number of participants in order for the cost per participant to be unbiased. First, the follow-up study only included those who had stayed in the program 30 days. Early leavers were eliminated from the number of participants; their costs in the program were treated as an amount that had to be incurred by those who remained in the program (and received the benefits). Furthermore, because of continuous enrollment, many participants were only part way through their VICI experience when cost data collection was finished. The number of participants was corrected for the fact that carryover participants had only spent a fraction of average participants' time in VICI.

expenditures exclude research and other costs incurred because VICI was a demonstration program.

A few observations on Table V-I: First, the major costs of running such programs stem from two factors -- youth stipends and the wages paid to crew chiefs. Second, 15.5 percent of site costs were for materials and supplies provided by public sources other than CETA -- housing authorities, community development agencies and the like. This amount was small, relative to other costs, but it was critical for the production emphasis (i.e., the real work) of the program. Third, the costs P/PV incurred in its role as intermediary were small compared to overall costs. Finally, the adjusted cost per participant of roughly $9000 (1980 dollars) is not small, indicating the high cost of extensive skills training. While the cost per participant was not unreasonably high, it is clear that VICI is more expensive than such efforts as pre-employment programs or job clubs. But VICI costs cannot properly be judged without comparing them with program benefits.

Table V-2 presents the costs and benefits of the VICI program from the societal perspective. The estimate of the present value of the post-program earnings benefit to participants decays at a real rate of 17 percent per year, is discounted at a rate of five percent a year, and accrues over 40 years of working life. This analysis indicates that VICI's benefits outweigh the costs (by a factor of 1.5 to 1). The net societal benefit is $3,334 (per participant), in large part because of the substantial estimated post-program earnings of the participants.

The estimate of the net social benefit of this program is sensitive to assumptions concerning the value of the increased post-program earnings. Even assuming that the benefits to participants accrued only for one year (and it was therefore not necessary to estimate concerning the discount or decay rate), VICI's social benefits of $5094 per participant are 81 percent of the program costs ($6312). Nevertheless, the size of the overall net social benefit is affected by assumptions concerning the decay rate, the discount rate and the years over which the benefits should extend. Table V-3 presents an analysis that assesses the sensitivity of the estimated present value of the net societal gain under various assumptions. This varies from $1,830 to $19,679. All of these estimates are substantial and positive.

In summary, although estimates of the net present value of this program's benefits per participant are sensitive to certain assumptions, the conclusions from all estimates are the same: VICI has a substantial net societal benefit.

Another way to assess the cost-effectiveness of a program is to assess how long it takes the participant to pay back society's investment (see Table V-4). The amount to be paid back is the total cost from the societal perspective (that is, excluding youth stipends) minus the value of output produced by each parti-

Table V-2

Cost-Benefit Analysis From the Social Perspective

Costs (per participant)	Present Value of Total Costs (per participant)
Local Site Costs 1/	-$ 5,279
P/PV Costs 2/	-$ 464
Foregone Earnings 3/	-$ 569
	-$ 6,312 4/

Benefits (per participant)	Present Value of Total Benefits (per participant)
Increased Post-Program Earnings 5/	+$ 5,838
Value of In-Program output 6/	+$ 3,808
	+$ 9,646

Net present value (benefits minus costs)	+$ 3,334

1/These costs exclude youth stipends and minimal research costs at sites. Start up cost of the program, costs prior to the enrollment of the first participant, are amortized over a 30 month period (the assumed duration of such a program).

2/These represent the cost of overseeing the sites and exclude research costs as well as costs associated with getting the demonstration started (model selection and modification, RFP production and site selection).

3/These figures represent the mean annual earnings of the comparison group multiplied by 9/12 (9/12 is a conservative estimate of the fraction of a year that the average participant remained in the program).

4/This cost per participant figure differs from the cost per participant figure in Table V-1 in that it is from the societal perspective and includes foregone earnings but excludes youth stipends.

5/This figure begins by assuming that the net program impact on (VICI versus controls) quarterly earnings ($321) can be multiplied by four to get an impact on annual earnings. It then assumes that the $1286 decays at a rate of 17 percent a year, has a real discount rate of five percent a year and accrues over 40 years of the individual's life.

6/The value of in-program output derives from the work valuation methodology reported in Chapter III. Since the total costs (and hence the value of output produced) reported in chapter III differ slightly from those reported in Table V-I, (due to minor differences in the time periods), the amount of work value produced was adjusted accordingly.

Table V-3

Sensitivity Analysis of Net Social Benefit (Present Value) of VICI Program

			Net Social Benefit (Per Participant)	
Estimated Average Annual Program Impact in 1980 Dollars	Annual Real Decay Rate	Annual Real Discount Rate	Assuming Extrapolation over 20 years	Assuming Extrapolation over 40 years
$1286	0	5	$13,738	$19,679
	0	10	7,668	8,929
	17	5	3,192	3,334
	17	10	1,830	1,830

cipant. When calculating the ability of the participant to pay back, the assumption is that he/she can pay back an amount equivalent to the increased post-program earnings the first year and that the value decays by 17 percent in the next year, and so forth, for subsequent years over a working life. No discounting of that value to its current value is necessary since a debtor can pay off last year's loan in today's dollars. These pay-back calculations suggest that it takes a VICI participant 2.17 years to pay back the social investment in his/her training.

One additional perspective on cost-effectiveness may be relevant. Intrinsic to the VICI model is a presumption of synergy: that is, the goals of community improvement and of employment development can be pursued together so that outcomes are at least comparable and perhaps superior to those that would have been obtained independently (i.e., a training program with no production component, or a housing rehabilitation or other physical community improvement program without an employment and training component). To test this assumption, it is relevant to ask what, to use a term loosely, the "return on investment" was for both the prime sponsors, who invested CETA dollars, and the community development agencies, which invested CDBG or other dollars.

Community development agencies invested $1,786,411 in VICI (20 percent of total program costs) and received benefits, according to the work valuation methodology, of $3,720,416.[10] In other words, the community development agencies received two dollars worth of goods for every one dollar they spent. (Normally, these agencies would receive one dollar worth of goods or services for every dollar spent, by definition).

From an accounting point of view, the prime sponsor is not interested in the value of goods produced, but rather in the labor market benefits for participants. If the prime sponsor costs are compared to the employment benefits for youth, then the benefit-cost ratio is given by

$$\frac{\text{Youth wage gains per participant}}{\text{Prime sponsor cost per participant}} = \frac{\$\ 5,838}{\$\ 7,234}$$

for a net return per dollar of $.81. While this is not larger than one, it still reflects a substantial return on the investment.

Assuming that the availability of materials (which cost the prime sponsor nothing) in fact was important in producing the program's impact on youth earnings gains, and if one accepts the estimate of value yielded to the community development agency, then three conclusions follow:

- The prime sponsor gets better return on investment than would have occurred without the pooling of funds, albeit by an indeterminate amount.

Table V-4

Analyses of Length of Pay-Back Period (From Social Perspective)

Amount to be paid back 1/	$2504
Number of years to pay back assuming benefit is $1286 a year 2/	2.17 years

---

1/ Total cost per participant minus the value of in-program output per participant. (Cost here is the social cost - that is site costs (excluding youth stipends), P/PV costs and foregone earnings).

2/ Benefit is decayed at 17 percent a year. No discount rate is applied because today's debt gets paid off in tomorrow's dollars.

- The CD agency also gets a better return, by a two to one differential.11/
- The combined benefits to the municipality, including community development and CETA gains, exceed the benefit that would have occurred if these agencies had pursued their goals in isolation. In other words, a synergy occurred.

CONCLUSIONS

Analysis indicates that from a societal perspective, VICI has substantial net benefits. A "best estimate" indicates that the net societal gain from VICI is $3,334. VICI participants pay back the societal investment in a very short period of time, 2.17 years. The actual size of the net social benefit of the VICI program is affected by the various necessary assumptions, but the conclusion is that VICI is cost-effective, no matter what assumptions are used.

Three caveats are appropriate. First, this analysis is from the societal perspective and is favorable to VICI. It is possible that such an analysis from the taxpayer's or the individual's perspective would produce different results, but lack of data precluded consideration of these other perspectives. Second, it may be unreasonable to assert that the increased post-program earnings to participants are a societal benefit, since if substitution occurs (rather than net new job creation), someone else would have earned this amount. It isn't feasible to assess the amount of substitution, a problem inherent in almost all evaluations of employment and training programs. Despite this problem, the precedent of previous evaluations was followed, and these benefits to participants were considered a social benefit. Third, in almost all instances, conservative choices were made, thus biasing the case against the cost-effectiveness of VICI. Therefore, although VICI is somewhat expensive relative to some other employment and training strategies, it is cost-effective.

NOTES

1/This is similar to the typology used in assessing the cost-effectiveness of the Supported Work Demonstration (see Manpower Development Research Corporation, Summary and Findings of the National Supported Work Demonstration, 1980, and P. Kemper, D. Long and C. Thornton, The Supported Work Evaluation: Final Benefit-Cost Analysis, MDRC, 1980). M. Borus (Measuring The Impact of Employment-Related Social Programs, 1979 Upjohn) considers four perspectives: societal, individual, employers and the government.

2/It should be noted that for youth, dependence on transfer payments and changes in such may not be critical. Rather, the critical issue may be how the program reduces future dependence on various transfer payments. Of course this is difficult to measure or simulate.

3/See MDRC *op. cit*. and Borus *op. cit*. for further clarification of this point.

4/The MDRC analysis includes measures of these four benefits.

5/Borus, *op. cit*., pp. 103-104.

6/H. Bloom "Long-Term Earnings Gains from Participation in Employment and Training Programs," in *National Commission for Employment Policy Report #39: The Experience of Women in Employment and Training Programs: A Proceeding*. June, 1981.

7/O. Ashenfelter, "Estimating the Effect of Training Programs on Earnings," in *The Review of Economics and Statistics*. Vol. 60, No. 1 (February 1978), pp. 47-57.

8/The sensitivity analysis includes results that assume no decay over time.

9/In P/PV's sensitivity analysis, estimates of the benefit stream assume a real discount rate of 10 percent.

10/Note that this figure differs slightly from the building materials cost line in Table V-1, since community development funds supported some journeyman wages as well.

11/In a pure investment model, the CD agencies' returns would be calculated over time, depending upon the appreciation or depreciation rate and market value of structures. But these calculations are not affected by whether VICI or an alternative supplier does the work. Hence, differences in supply price are the relevant measure.

CHAPTER VI: CONCLUSIONS AND IMPLICATIONS FOR POLICY AND PROGRAMMING

The preceding chapters reported on the VICI model and the results of the research in detail. This final chapter summarizes the major findings and discusses a number of implications for policy makers and program practitioners.

SUMMARY OF RESEARCH FINDINGS

The VICI research addressed three major issues: the impact of the program, the effectiveness of replication, and the development of a work valuation methodology.

Impact of the Program

Program effects were assessed in two fashions.

First, P/PV attempted to establish whether the benefits of the demonstration outweighed its costs. A social benefit perspective was employed in which two major costs -- program costs and opportunity costs -- were calculated and compared to two major benefits: the value of the work produced by VICI crews, and increases in youth earnings. The latter benefit was calculated by comparing the post-program earnings of VICI participants (16 to 19 year-old, out-of-school, disadvantaged youths) with those of a control group of similar youths who were selected at random from VICI waiting lists.

Multivariate analysis showed that VICI youths were significantly more likely to be working than controls, and had significantly higher annual earnings (by $1,286 on average). Implementation of the work value methodology devised for this demonstration showed that the VICI work products would have cost the public approximately $3,750,000 if the work had been performed by private contractors. This alternative supply price is the value assigned to the VICI work product in the cost-benefit analysis. It represents a return of about .47 of every dollar expended in the program.

Although the cost-benefit analysis showed that while the annual cost per VICI participant is large, the benefits outweigh costs, by a ratio of 1.5 to 1. The pay-back period (i.e., the time it takes a youth to "pay back" society for the cost of the program through increased earnings) is not long -- little more than two years. These results from the various cost-benefit analyses are not sensitive to various assumptions about the rate of decay of post-program benefits, the discount rate and the number of years over which the benefits extend.

Research found that program youths were significantly more likely than controls (by 188 percent) to become union apprentices and that, by qualitative standards, the workmanship on VICI jobs was equal to or better than the norm for private contractors in the majority of cases.

It can therefore be concluded that intensive skills training programs, with a production emphasis, can have major benefits for youth, produce tangible community improvements of substantial value and quality, and represent a sound social investment.

The second measure of VICI's impact was an attempt to compare VICI to selected other community improvement programs that employed somewhat different program models and delivery systems. Included in these interprogram comparisons were out-of-school youths who participated in a demonstration community improvement program run by HUD through community development corporations, and youth from selected construction-oriented YCCIP programs operated by prime sponsors. HUD and prime sponsor YCCIP programs included in this comparison were located in the same cities as VICI.

One, three and eight month follow-up data on youths from these programs were collected by P/PV and compared to VICI follow-up data using multivariate techniques. This comparison was restricted by limited research resources, which relied on records kept by the comparison programs for all information except the follow-up data. The limited nature and non-comparable format of those data made it impossible to include cost comparisons or work value comparisons in quantitative analysis.

With analysis confined to post-program employment and earnings of youth, no statistically significant differences between HUD and VICI youths were found, with the exception that HUD youths received more raises in pay after leaving the program. There were some statistically significant differences between VICI and prime sponsor YCCIP graduates. If working, VICI participants worked more hours and received higher wages than YCCIP youths; VICI youths were more likely to hold skilled construction jobs; and YCCIP youths received more pay raises. The summary measure of labor market outcomes, quarterly earnings of VICI program participants, were not significantly higher than those of YCCIP participants.

A number of factors limited interprogram comparisons. In addition to the data limitations mentioned above, there is a sense in which all the programs reviewed were somewhat unusual. The HUD sites were also part of a demonstration and the construction-oriented YCCIP programs were a select group; of 77 different YCCIP programs conducted in the VICI cities, only 11 qualified as construction-oriented programs with sufficient scale to offer a valid comparison. It is therefore inappropriate to generalize about the effectiveness of VICI or HUD versus all YCCIP programs. In addition, the follow-up sample of HUD and YCCIP program participants was confined to out-of-school youth, to provide comparability with the VICI youth. Finally, the follow-up period was short, given the number of youths who entered construction trades in which the accrual of seniority can have pronounced effects on earnings. Given these constraints, however, the findings indicate that none of these three models (VICI, HUD or construction-oriented YCCIP) emerges as clearly superior.

On the other hand, while the programs appear similar on common measures, there are some distinct differences in goals and purposes among which program planners may wish to select in operating enhanced construction-based programs for youth. For instance, the HUD model is a reasonable choice when, in addition to labor market objectives, there is a desire to use community-based organizations as a prime deliverer. The VICI program's emphasis on linkages with unions may be more appealing when there is a desire to involve labor unions in local employment and training programs or increase access to apprenticeships for disadvantaged youth. The financial leveraging characteristic of VICI may also be an appealing feature, especially in times of tight budgets, for programs that are locally-designed or run by community development corporations.

Replication

Proponents of a replication strategy typically argue that efficiency gains will be produced in adapting proven models to local situations. Skeptics argue that the determinants of good programming are situational and that replication is an irrelevant approach. Debate on the value of replication as a strategy has been ongoing; VICI research may illuminate but will not resolve it. Depending on one's criteria, replication as a strategy was a qualified success in VICI.

On the positive side, it proved feasible, using a flexible approach to replication (one which permitted some adaption to local conditions) to replicate the VICI program in the sites selected, even though the structural requirements of the program, such as the linkages among agencies and unions, were fairly complex. Implementation was achieved with fidelity to the model in all sites. Further, when the strong fiscal incentive of discretionary federal funds was removed, VICI was continued as a program, with its essential features intact, in five of the eight sites. And, as the impact analysis showed, the model yielded considerable benefits to youth and to communities -- benefits that outweighed costs. It is fair to ask whether these results can be attributed to replication as a generic approach, to the role of an intermediary as replicating agency, or to the properties of the VICI model and quality of local management agencies. Unfortunately, these were indistinguishable in the VICI demonstration, and so the question cannot be answered.

On the other hand, while the data indicate that this particular approach to replication can produce good programming, the interprogram comparisons do not show that it produces clearly superior programming. (Unfortunately, the limits of data, as noted above, did not permit a cost-benefit assessment of the HUD and YCCIP program, which would provide the best evidence on this point.) Further, while the aggregate VICI demonstration produced good results, quality did vary considerably among sites; only eight of 15 initially invited proposals were funded and only five were institutionalized in local budgets.

The question is whether or not programs run through community development corporations and local government generally will produce results similar to those of the programs used in our inter-program comparisons. If one suspects these results are better than the norm, then replication may be a desirable strategy to raise the norm. If not, it is merely an option. There is no data to resolve this question.

There are, however, some lessons that emerge from the specific replication strategy and point to conditions that enhanced VICI's viability. First, replication was not construed as duplication; a number of the model's features were flexible, thereby leaving room for local officials to tailor the model to their needs and environment.

Second, a powerful financial incentive was important in attracting prime sponsors who gave the model a chance to prove itself. In addition, some matching dollars were critical as programs moved from 100 percent non-local (i.e., federal discretionary) funds to full reliance on local resources. It is doubtful whether local officials would redistribute local dollars, which implies defunding some incumbent programs, in order to start even a scaled down VICI model from scratch.

Third, over time, VICI developed local ties and advocates that facilitated the crossover to local financial support. It is believed that these ties resulted from the extensive network of links to public agencies. The VICI experience suggests that the initial funding period be between one and two years long in order to ensure the necessary time for establishing a profile in the community. This permits the decision for local continuance to be based on worth rather than mere expediency.

Fourth, VICI does not "run on its own." Weak local administrative capacity and stormy relationships with cooperating agencies (e.g., trade unions and work providers) will quickly jeopardize the program. During the planning and selection stages, these two components should be assessed rigorously and their soundness established.

Finally, the role of an intermediary, in this case P/PV, was judged important by independent evaluators. The close attention that could be paid to planning and monitoring the demonstration seemed to have payoffs in the speed with which programs could commence operations, and in their ongoing fidelity to the program model.

The experience clearly indicates that, given the caveats and conditions just enumerated, replicating a model of VICI's size and complexity is feasible. Just how generalizable the VICI experience is without the special conditions that VICI experienced (e.g., the sizeable federal monetary incentive, substantial pre-planning, and the presence of an intermediary) is difficult to predict.

Work Valuation

Developing a work valuation methodology was a third research task. Some of the information that the methodology produced was useful in describing the quality and value of specific VICI work products, but this was not its main purpose. Rather, the Department of Labor, using VICI as the laboratory, was more interested in developing, refining and testing a system that would be generally applicable to publicly-sponsored community improvement projects. The system was to produce accurate measures of the dollar value of the products that programs generated. In order that such a methodology could be used by all employment and training programs with a production emphasis, it must be straightforward and inexpensive.

The work value methodology developed for VICI followed the example of other researchers by providing an estimate of the alternate supply price (i.e., what a private contractor would have charged to perform the job) as the measure of value. It differs from other systems, however, in several important ways. First, it is designed for program operators to implement, with use of third-party professional estimators in a sample of jobs to check bias in program estimates. Second, it incorporates a method for full accounting of program costs as well as a system for individual job site accounting.

As designed, the system supports two key applications. It provides overall estimates of value of output and estimates of the value produced per dollar of expenditure. In addition, it has potential for aiding management in controlling costs, determining the portion of funds spent at the work site versus overhead. It can similarly be useful in determining what kinds of jobs (e.g., gut rehabilitation versus home repair) and trades (e.g., plumbing versus carpentry) are associated with the greatest value per dollar spent. In VICI sites, work value did not appear to vary greatly by trade, but it was sensitive to the complexity of work, with simpler jobs (that is, jobs requiring less preparatory training) returning higher proportions of value.

Since one purpose of a training program is to teach more complex skills, there is a clear trade-off between work value objectives and training objectives. Thus, the value-of-output indicator should not be used as the sole criterion of program effectiveness. Rather, it should be considered in conjunction with measures that assess youth benefits -- a conjunction permitted by cost-benefit analysis.

Overall, the work value method was inexpensive (about one percent of the total cost) and relatively easy to implement once initial resistance to using and filling out the necessary forms was surmounted. Limited training was required to use the system.

IMPLICATIONS FOR POLICY MAKERS

At the broad level of national policy, there are several major implications to be derived from the VICI demonstraiton.

First, the impact and cost-benefit analyses provide evidence that enhanced work experience programs -- with heavy emphasis on skill training and production -- have a role to play in national youth employment and training policy. Whether the federal government should promote such programs through categorical funding or dissemination strategies that rely on technical assistance is a question that is beyond the scope of this report to address. However, if such programs are supported, it is important that performance measures for youth employment and training programs be promulgated in such a way that they do not act as a disincentive to investment by local practitioners. The emphasis on cost per placement as a yardstick, used for past CETA programs, should be modified. Cost per placement measures create incentives for fast, inexpensive programs with uncertain labor market pay-offs -- they abet the "numbers game." Assessing programs on the basis of their labor market benefits for participants -- especially, increased earnings -- is a more appropriate strategy.

Second, consideration should be given to requiring the widespread adoption of work valuation in those enhanced work experience programs that include an emphais on the production of community improvements. The output produced is an important program benefit, and an offset against costs that should be included in assessing overall program effectiveness. Efforts to measure value have the further benefit of keeping attention focused on the production goals. Although these should not override training goals, it is possible that their inclusion makes the training more beneficial and helps avoid the problems associated with make-work. In addition, when used as a management tool, work valuation has potential for improving overall quality and efficiency in program management.

Third, the central role played by unions in the VICI model, contributing quality supervision and an informal entre into apprenticeship and construction jobs for program graduates, suggests that labor involvement in training programs for the hard-to-employ is both feasible and desirable. Securing that involvement is not always possible, as the initial planning for VICI indicated; but the benefits do make the investment of effort in this connection worthwhile. At the national level, the simple policy implication is that program regulations (e.g., the percentage of program dollars spent on supervisory salaries) must be flexible enough to permit union involvement and small crew sizes.

Output measures (benefits), not input costs, must be the criterion applied to insure the necessary flexibility.

Finally, although it is not a strictly empirical finding, the VICI experience suggests that this mode of programming would be as effective -- and perhaps more effective -- for a slightly older age group than the YCCIP legislation required. While some 16 and 17 year olds did perform well and benefit from VICI, program staff at the sites were almost unanimous in arguing that these youths were "too young" for VICI, and barriers to employment (such as the frequent requirement of a high school diploma to enter apprenticeship, or regulations prohibiting persons under 18 to operate power tools on the job) also made the program less appropriate for them.

IMPLICATIONS FOR PROGRAM PLANNERS AND MANAGERS

First, the financial involvement of a community development agency provides more than a source of funds for a program such as VICI. It also provides a customer who is concerned about quality and productivity. In most VICI sites, the community development agency pressed for good work quality and quantity, providing another assurance that production would occur in a timely and craftsman-like way.

Second, the tension between training goals and production goals, which were discussed in terms of program evaluation, also exists for program staff. Journeymen often felt torn between their interest in getting work done and their interest in working with youth. This tension is manageable, and even healthy, but program management should be prepared to discuss and deal with it.

Third, in the more effective VICI sites, a division of labor in program management was either built in from the start, or evolved. Typically, one of the two lead managers was experienced in running youth programs, while the other was a journeyman with solid construction background who managed the complex logistics of work schedules, inventory, ordering and delivering of supplies. Both capacities are essential to an effective program and can rarely be found in one person.

Fourth, supervision was rigorous and standards for youth performance generally tough in VICI. These strong standards, which meant a willingness to enforce a strict policy regarding attendance and discipline, were important to good training. Most youth shared this belief.

Fifth, it was difficult to secure the cooperation of schools for the VICI education component. This linkage was the weakest. The problem may have been intrinsic to the model, since there were no strong incentives, cash or otherwise, to secure the support of school personnel. Program planners who wish to include a strong education component in this kind of program are advised to develop incentives for the school system (such as repairs to school property) or to build education time and resources directly into the program.

Finally, it is worth re-emphasizing the recurrent comment from outside evaluators, casual observers and P/PV staff, that union journeymen were the key to the VICI program. They brought standards of quality, devotion to craft, contacts with trade union officials and contractors alike that were useful in placement; and a detailed knowledge of the trade that they could convey in very concrete terms to youth, who generally respond better to the concrete rather than the abstract as a way of learning. Further, most journeymen showed a natural flair for one-to-one teaching, in the time-honored tradition of the trades, and most formed close relationships with the young people, transcending barriers of generation, race and stereotype. Of course, union members do not have a monopoly on these virtues, but the extra cost required to hire journeymen as instructors (about $10,000 per year) served as a kind of quality insurance that was worth the expense.

* * * * *

The VICI demonstration was an ambitious undertaking. An innovative youth community improvement program model was rigorously tested in eight sites nationwide. The results are promising and attest to the efficacy of intensive skills training in the construction area. The model proved replicable in a variety of settings. Although it calls for a significant investment of public funds, its costs are outweighed by financial benefits even when a strict set of assumptions is applied. The nature of the work seems particularly amenable to a drop-out population since the necessary learning is grounded in visible work products within a training environment. In sum, weighing the severe employment barriers experienced by the target population (minority, inner city, disadvantaged, young drop-outs) against the results of the demonstration argues strongly for continued support of these work-intensive youth community improvement projects.

APPENDIX I: COMPENDIUM OF INTERIM VICI REPORTS

Athena Group; Legislative History of the Youth Employment and Demonstration Projects Act; Blakely, Hank; 1978.

Crawford, David L.; Perloff, Jeffrey M.; et al; An Analysis of The Effects of the VICI, HUD, and YCCIP Programs on Participants Outcomes; Econsult, Inc.; August, 1981.

de Lone, Richard H. and Kolker, Jerome; Replication of Successful Programs: Issues and Examples from Youth Employment Projects; Public/Private Ventures; October, 1980.

U.S. Department of Labor; Youth Work Experience: Enhanced Work Projects--The Interim Findings from the Ventures in Community Improvement Demonstration; Youth Knowledge Development Report 7.5; U.S. Government Printing Office; May, 1980.

Kelley, John M.; Replication, Valuation, Impact; Presentation at the Office of Youth Programs' Knowledge Development Projects' Conference; October, 1978.

Public/Private Ventures; Ventures in Community Improvement: A Demonstration of Program Replication through the CETA System, Interim Report; May 1979.

Public/Private Ventures; Ventures in Community Improvement: A Demonstration of Program Replication through the CETA System, Second Interim Report; Fall, 1979.

Public/Private Ventures; Ventures in Community Improvement: A Demonstration of Program Replication through the CETA System, Third Interim Report; Winter 1979-80.

Public/Private Ventures; Ventures in Community Improvement: A Demonstration of Program Replication through the CETA System, Fourth Interim Report; Spring, 1981.

Public/Private Ventures; Getting the Job Done: Conversations with Journeymen and Youngsters at four Ventures in Community Improvement Construction Sites in Ameria; July, 1980.

Public/Private Ventures; Work Valuation: How to Show, and Improve, the Worth of Your Construction Training Program; in publication.

Shapiro, Harvey, and Blakely, Hank; The Development of the VICI Demonstration; February, 1979.

Shapiro, Harvey; Adding On: A Review of the Extension Year of the VICI Demonstration; October, 1981.

Shapiro, Harvey; Constructing a Better Future: An Overview of the Ventures in Community Improvement Demonstration; October, 1980.

APPENDIX II: THE ROLE OF THE INTERMEDIARY1/

A second element of the demonstration was the use of an intermediary organization to design, mount and oversee the demonstration and the research that accompanied it. P/PV was given high marks for some of its specific actions and was criticized for others, as has been noted in earlier reports. (See appendix I). However, virtually all of those involved in the demonstration agreed that P/PV enabled VICI to begin operating rapidly and relatively smoothly in most sites. Moreover, P/PV is credited with providing useful and timely advice which helped several sites solve specific operating problems. P/PV's performance in mounting the demonstration was widely regarded as a contribution which could not have been provided through conventional Department of Labor channels and mechanisms.

P/PV's field staff came to be well regarded by most VICI program operators; however, P/PV achievements are not generally ascribed to the possession of superior skills or wisdom but rather to the organization's ability to focus its attention on VICI. In contrast to the Department of Labor and prime sponsor, which each had many programs competing for their attention, P/PV staff could concentrate its abilities and resources on VICI alone. The fact that it could attain such a focus was highly useful and had much to do with promoting the smooth operation of the local programs.

During the extension period, P/PV's role diminished with little difficulty. The most troubled VICI programs, after all, had not been extended, while the remaining five were continued precisely because they had shown some capacity for managing their affairs reasonably well. While some were concerned whether P/PV could relinquish its hold on the program it had created, in fact, during the extension period it wound down its involvement gracefully, and by the end of March 1981, it had completely withdrawn from an oversight role in the remaining local VICI programs. One measure of its skills was the continued good feeling and willingness to share information evidenced toward P/PV by VICI managers in Broward County, Milwaukee, and New Haven in particular.

Clearly, much of P/PV's influence during the demonstration period resulted from its perceived control over the VICI purse strings as well as its skills as an advisor. Early on, the prime sponsors in Atlanta and other sites questioned the authority of P/PV or sought to circumvent it and deal directly with the Department of Labor. When these efforts were rebuffed, however, P/PV's credibility was established in several sites. Midway through the demonstration, P/PV's legitimacy was reaffirmed in Chicago, when Department of Labor officials seemed prepared to stand behind P/PV in its confrontation with the politically powerful Chicago Mayor's Office of Manpower.

As the extension period wound on, however, P/PV became something of a lame duck. This was made manifest by the Atlanta program's financial straits. P/PV not only lacked the funds or power to rescue the program from its financial difficulties, its efforts to exhort others to action also lacked the necessary inducements to prod or entice anyone to go out on a limb in support of the Atlanta program.

P/PV's record over the course of the demonstration speaks well of the role that an intermediary organization can play in designing and launching innovative programming. Though it may be hampered at the outset by unfamiliarity with the inner workings of a system, an intermediary's outsider status also leaves it free of the encumbering ties that make it difficult for an organization to impose changes on its own operations. The intermediary can manage innovation, however, only if it is given either the power to enforce its wishes or the clear backing of those who have such power.

1/This is extracted from Process Documentation-Final Report, Harvey Shapiro. September 1981.

Appendix III

Summary of Program Characteristics of VICI, HUD, and Construction YCCIPs Selected for Follow-up Study

Table III-1

Atlanta Interprogram Summary of Program Characteristics

Program Characteristic		
1. Program Operator	Atlanta Urban League	Exodus, Inc.
2. Project Timelines	December 1978-May 1980	April 1978-January 1980
3. Prior Experience in Youth Construction Programs	considerable experience in operating employment and training programs but not in youth construction	considerable experience with social service programs for youth but not in construction
4. Recruitment and Selection of Participants	distribution of flyers and public service announcements and visitations to community organizations and high schools; referrals from Georgia Employment Service; applicants screened by staff for appearance, attitude and motivation	announcements to Exodus-sponsored programs and to community; bulletins circulated at Georgia State Employment Office; possible selection based on previous construction and carpentry experience.
5. Average # of Slots	60	75-80
6. Program Goals	OJT; meaningful work experience; emphasis on developing work habits, career awareness and work skills; less emphasis on placement in construction trades	OJT and job placement into labor unions; development of good work habits and socialization skills; increased interest in reading and further education
7. Nature of Work	correction of code violations in 35 residential dwellings; work done in carpentry, electrical, plumbing, painting and masonry trades but mostly in carpentry; emphasis on large jobs (average cost of $3600	landscaping and preventive maintenance of apartment complex; renovation of houses; work consisted of roofing, landscaping, carpentry, energy conservation, and painting

Table III-1 (continued)

Atlanta Interprogram Summary of Program Characteristics

Program Characteristic	Atlanta Urban League	Exodus, Inc.
8. Key Program Features		
A. training and support services	WE*; skill instruction for two hours per week; GED instruction; personal and career counseling; training classes offered by Carpenters Union for selected trainees	WE*; informal basic training in measurement and painting skills; counseling provided
B. placement services	initially less emphasis on placement; later services provided through linkage with Apprenticeship Information Center	Exodus operates its own job placement center; youths taught how to complete application forms and take interviews; placement into jobs related to training not important
C. retention and attendance	not a major problem; poor attendance noted for GED classes	high absenteeism initially; dropped to 10% by end of program
D. discipline	not very strict; rules established by program were loosely adhered to	rules and regulations specified in manual; monetary incentives given for good performance but later dropped due to financial constraints
E. linkages	Atlanta Board of Education; Apprenticeship Information Center; Department of Licenses and Inspection; CETA referral agencies; North Georgia Building and Construction Trades Council; Residential Carpenters Union; plumbers, steamfitters and electrician unions	few linkages: Boy's Club; selected schools; no union affiliations

*WE = work experience

Table III-1 (continued)

Atlanta Interprogram Summary of Program Characteristics

Program Characteristic	Atlanta Urban League	Exodus, Inc.
F. general staffing	10 journeymen, 2 clerks (PSE); 1 each of a foreman, counselor, forms specialist, secretary, and manager; part-time: director, comptroller and bookkeeper	3 managers; 6 field supervisors
G. youth supervision	6:1; journeymen supervisors	12:1; supervisors experienced in housing construction or community development
9. Other	major start-up problems	supervision was weak and work productivity low due to inexperience of supervisors working with youths

BEST COPY AVAILABLE

Table III-2

Chicago Interprogram Summary of Program Characteristics

Program Characteristic	VICI	HUD	YCCIP			
1. Program Operator	18th Street Development Corporation; originally the Dept. of Human Services and Lawndale Peoples Planning and Action Conference; changed in midstream	The Woodlawn Organization (TWO)	Kenwood-Oakland Community Organization (KOCO)	Puerto Rican Congress (PRC)	South Austin Realty Association (SARA)	Voice of the People (VOP)
2. Project Timelines	October, 1978-September, 1980	February, 1978-February, 1980	March, 1978-present	1979-1980	1979-1980	1979-1980
3. Prior Experience in Youth Construction Programs	Some small, ad hoc projects; close ties with Carpenters Union; ran academic programs for youths	no prior experience	Only experience was running small National Youth Corps and CETA Summer programs	None in youth construction but much experience working with neighborhood youth	Had run YETP-type program for 2 years	Some experience in rehab. work; little experience with youth
4. Recruitment and Selection of Participants	Through Dept. of Human Services and their own information network; rigorous recruitment early, relaxed later on; elaborate interview to check on motivation	Recruited by public service announcements, ads in community newspapers and word-of-mouth referrals; selection based on minimal reading level, residence in Woodlawn area and interview to determine assertiveness and commitment to program goals	Recruited through Urban Progress Centers; no special selection criteria; however, all were out-of-school and from surrounding neighborhood	Selection from other PRC programs being run at that time; recruited highly motivated youths	Screening through Urban Progress Center; process included interview	Word-of-mouth recruitment, preliminary screening by Urban Progress Center; selected for ability to complete projects, and for sense of responsibility
5. Average # of Slots	60 originally; later reduced to about 48	163	70	15	9	5
6. Program Goals	Construction-related placement and carpentry apprentices	Youth employment, especially in apprenticeship positions; help youth develop positive work habits and attitudes and obtain GED; contribute to community renovation	Teach participants how to work (i.e., employability skills); job placement and rehabilitation of community	Keep participants off drugs and reduce street crime	Instill good work habits in youths	Create quality housing; keep tenant costs and building maintenance costs low; build in energy efficient items during rehab; stay within budget; provide construction training for neighborhood youth

BEST COPY AVAILABLE

Table III-2 (continued)

Program Characteristics	VICI	HUD	YCCIP			
Agency		TWO	KOCO	PRC	SARA	VOP
7. Nature of Work	Large scale gut rehabilitation; one large abandoned 6 unit apartment building; a few smaller work projects; included carpentry (primary emphasis), masonry, roofing, painting, plastering, some rough plumbing; high level of skill training	Work performed on private residential homes, apartment building and open spaces in Woodlawn; consisted of minor home repair, weatherization, rehab, open space development; included carpentry, painting, masonry, electrical, and plumbing, landscaping and gardening	First crew did minor rehabilitation, repair and weatherization; work includes painting, plastering, putting up dry wall, plumbing, electrical work, and glazing. A second crew was responsible for housing management program; included cleaning and maintaining buildings and cutting grass. Also a code enforcement program	Combined rehabilitation skills, music and art program; taught to read and arrange music, play and repair instruments; painted murals on inside and outside of building. Also learned rehab skills: cleaning; minor demolition; landscaping; brick laying; pouring cement and constructing forms; sheetrock installation; window, door and frame work; moderate plumbing; minor electrical work; and painting	Three sub-programs: tenant education, building management and development, and construction. Training given in following trade areas: plastering; glass work; electrical repairs; work on doors; and basic maintenance skills.	Rehabilitation of three buildings owned by VOP. Work included: hanging drywall; framing doors; stripping molding; pouring concrete; patching floors; and painting
8. Key Program Features						
a. training and support services	orientation period including 2 weeks of heavy demolition and 3 weeks of knowledge building and general skill training; 8 extra hours per week at carpentry apprenticeship school; remainder and majority of training was OJT; 5 day, 40 hour week week; informal counseling through regular staff; GED through external linkage	Mostly OJT, with 2 hours per week of classroom learning in mechanics of various trades; mandatory GED and remedial courses given 8 hours per week	All OJT; originally connected with GED program which youths attended voluntarily. DHS provided intensive counseling tests in reading and math, some placement assistance; MSW helped with problems relating to housing, employment and welfare	Support services included counseling, tests in reading and mathematics, referral to GED and remedial education courses. Through "Academy of Streets" program; three hours per week of reading and math instruction was available. Youth also received some training in Puerto Rican history, music and art	Strictly OJT; no counseling facilities on site, but referrals made at staff discretion	All OJT

BEST COPY AVAILABLE

Table III-2 (continued)

Program Characteristics	VICI	HUD	TCCIP			
Agency		TWO	KOCO	PRC	SARA	VOP
b. placement services	Mostly through journeymen and peers; union said it would take 100% of "qualified" participants; job developer added late in program	Placement operation on-site that identified, located and maintained files on prospective jobs, prepared youth for interviews; some placements made in two affiliated organizations	KOCO helped youths set up resumes and received announcements of job opening; few outside placements: some placed within KOCO	Did not rely on DHS for placement; directed placement activities through Board of Directors	Informal placement activities; job bank was available to participants	No formal placement activities; VOP had contacts with developers in order to find jobs for youths
c. retention and attendance	Extremely low turnover, particularly in early part of program; attendance described as good	Poor attendance, especially in summer	High rate of turnover: poor attendance	Moderate turnover: no attendance problems	Moderate turnover and attendance problems	Moderate turnover; absenteeism high
d. discipline	Formal set of policies, followed fairly well; varied somewhat over course of project	Strict discipline: youths docked for lateness or sent home; suspensions for poor attendance and poor discipline were frequent	Strict discipline and enforcement of disciplinary rules	Discipline not an issue	Strict enforcement of disciplinary rules: termination after 3 warning memos: grievances are brought to Personnel Committee of Board of Directors	Strict discipline, 3 days absence without notification results in termination
e. linkages	Extensive linkages with Carpenters Union, Malcolm X College, Chicago School Board, Community Development Agency, Chicago United, Council La Rasa, and Dept. of Human Services	Linkages with Chicago Board of Education, local Woodlawn schools, Daniel Hale Williams Clinic, Carpenters and Painters Unions, Illinois Department of Corrections, Safer Inc., Illinois Department of Children and Family Services and Chicago Department of Human Services	Few linkages; only DHS and HUD	Linkages only with DHS and Chicago Board of Education	Joint ventures with Aetna Insurance Company, First National Bank and city of Chicago	3 work site supervisors

BEST COPY AVAILABLE

Table III-2 (continued)

Program Characteristics	VICI	HUD	YCCIP			
Agency		TWO	KOCO	PRC	SARA	VOP
f. general staffing	Site administrator, administrative assistant, clerical support staff, job developer, construction manager, 9 union journeymen (7 carpenters, 1 mason, 1 plasterer/painter)	Core staff: 6 administrators, 2 clerical assistants, 11 trainers, 2 counselors, 2 job developers	1 supervisor for clerical program, 1 supervisor for housing and management, 2 supervisors for code enforcement, and 6 supervisors for weatherization and rehabilitation	2 electricians, 1 plumber, 2 carpenters, 1 landscaper, 1 instructor for tool supervision and safety on the job	1 supervisor, 1 program manager, 1 administrative assistant, and 5 consultant contractors	3 work site supervisors
g. youth supervisory ratio	6:1 or lower	12-15:1	About 7:1	About 2-4:1, supervisors were all PRC members and worked on a voluntary basis	About 1:1, contractors not connected with unions but had considerable experience	About 3:1, supervisors not experienced in training youth

BEST COPY AVAILABLE

Table III-3

Newark Interprogram Summary
of Program Characteristics

Program Characteristic	VICI	HUD
1. Program Operator	Mayor's Office of Employment and Training (MOET)	North Ward Educational and Cultural Center (NWECC)
2. Program Timelines	October 1978 - present (program was extended, May 1980)	February 1978 - January 1980
3. Prior Experience in Youth Construction Programs	Have been operating Title I painter's pre-apprenticeship program since 1975; extensive experience with local painters union; extensive experience with youth programs	No experience in construction programs; extensive experience with youth programs
4. Recruitment and Section of Participants	Recruitment through word of mouth, other community based agencies; VICI program had major responsibility; some assistance from RTP; prime sponsor Employability Development Team interviewed, examined test results and made referrals; physical stress test given; applicants screened by program director; preference given to 17-19 year olds; all neighborhood residents, Central Ward; normal CETA requirements; changed recruitment strategy to include more Hispanics; a few referrals of ex-offenders.	Recruitment by word of mouth, fliers distributed through community; some assistance from N.J. State Employment Service; screen for motivation; check references; 90% are residents of North Ward; regular CETA requirements; some recruitment through schools; many younger, in-school participants; many just work in summer

Table III-3 (continued)

Newark Interprogram Summary of Program Characteristics

Program Characteristic	VICI	HUD
5. Average number of slots	60	Seasonal--summer: 200 remainder of year: 60-90
6. Program Goals	Placement into painters union or other construction-related job	Primary goal of community improvement, participant goals were employment opportunity and skill training
7. Nature of Work	Painting; mostly city-managed apartments (350) and city-owned surplus properties (60); some other municipally owned buildings such as police and fire stations, community and recreation centers, swimming pools, Newark Symphony Hall; trade area consist of interior and exterior painting and paperhanging; high degree of skill training; most jobs small in scope.	Major home repair and rehabilitation, public works and the refurbishment of community facilities; most work done on agency headquarters which serve as offices and community centers. Some owned by the agency (5); senior citizen and recreation center; vest pocket parks; community garden; bocce courts; local schools (11) and stadium; Japanese Tea House and local Water Tower; pot hole repair; trade areas included carpentry, painting, electrical, landscaping, clean up, some plumbing and roofing; level of skill training varied by crew; scope of jobs varied from very small to very large
8. Key Program Features		
a. Training and Support Services	Most WE*; also, mandatory attendance at regular painters apprenticeship classes for 2 nights per week, 3 hours per night; drivers ed and safety classes; legal and health referrals; informal counseling by staff and regular counselors.	All WE*; instruction by supervisors; voluntary GED training, 6 hours per week; counseling on as needed basis; referral services; recreation/social component

---

*WE = Work Experience

Table III-3 (continued)

Newark Interprogram Summary
of Program Characteristics

Program Characteristic	VICI	HUD
b. placement services	Mostly through counselor and supervisors; extensive union cooperation in placement; job developer added late in program	Job developer and placement officer assisted in employability skill training; some placement assistance but not heavy emphasis; some assistance from State Employment Service
c. retention and attendance	Described as average for a VICI program; 20% absenteeism per day	High turnover; extremely low absenteeism (3-5% per day)
d. discipline	Formal set of policies, strictly enforce; to some extent used same rules that apply to union apprentice; several participants fired from program for violations; some tension due to balance between nature of social program and training program	No formal policy; no problems at all
e. linkages	International Brotherhood of Painters and Allied Trade;Council #10; Newark Housing and Redevelopment Authority; Dept. of Public Works; Recruitment and Training Program; various MOET CETA offices	N. J. State Employment Service; limited linkage with Newark School Board
f. general staffing	Program director, foreman, program assistant, 2 counselors, forms specialist, secretary, part-time accounts clerk, and job developer, 10 union journeymen	Program director, part-time architect, counselor, administrative assistant, job developer, general foreman, part-time case aide, other in-kind agency staff, several work supervisors; number of supervisors varied seasonlly; high turnover; usually 6-10 supervisors at any one time

Table III-3 (continued)

Newark Interprogram Summary of Program Characteristics

Program Characteristic	VICI	HUD
g. youth supervision	6:1 ratio, all union supervisors	Ratios varied by crew: landscaping--12:1; electrical--3:1; carpentry--4:1; painting--4.5:1; all non-union supervisors; most with consruction experience; some PSE employees
h. other	Management agency is prime sponsor for the City of Newark; Central Ward	Agency seems sophisticated, high political savvy; ethnic neighborhood (Italian); high community pride and sense of ownership; North Ward

Table III-4

New York Interprogram Summary of Program Characteristics

Program Characteristic	VICI	HUD	YCCIP			
1. Program Operator	Operation Open City	Peoples Development Corporation	Banana Kelly	OIC/NY	University Settlements	Prospect Heights
2. Program Timelines	February, 1979-August, 1980	February, 1978-January, 1980	April, 1978-present	April, 1978-present	December, 1978-present (may have expired)	August, 1978-present
3. Prior Experience in Youth Construction Programs	extensive experience in weatherization projects since 1964	some recent experience in youth construction programs through HUD grant; other experience as housing management agency	very little; some in clean-up, landscaping; very new organization	none in youth construction; a lot in youth training	some, 15 years ago; minor experience in youth camp; 4 years ago experience with adult construction program; much experience with youth programs, in general	HUD-sponsored "5-10" program, i.e., gentrification project involving private home repair and energy conservation
4. Recruitment and Selection of Participants	planned recruitment through RTP, BRASH, and Neighborhood Engage; limited success; no special selection criteria	largely word of mouth; local community agency; RTP, local high schools, NY Division for Youth (for ex-offenders); no special selection criteria	walk-in and community referrals; initially, no selection criteria; later looked for work experience, 9th grade education, no serious crimes, recommendations, and attitudes	door to door recruitment, initially; then, word of mouth; enormous waiting list; selection is first come, first served	word of mouth recruitment; several selection criteria; interviewed to determine work attitude, need, 9th grade education, other	recruitment through outreach network of local agencies; screening interview to determine attitudes, motivation, work history, academic background, personal references; bottom line is "can we help kid?"
5. Average # Slots	60	77	initially 9; later, 15	40	16 (12 originally)	16 (12 originally)
6. Stated Program Goals	provide work experience and skill development; secondary goal of placement in construction trade; community improvement	provide training and work experience in construction trades; unsubsidized job placement; preservation of community	agency-community preservation; participants-employment (hopefully, construction-related), skill development, work attitudes, self initiative and confidence, work habits, understanding of urban homesteading	placement in construction trade; preparation for labor market; refurbishment of community	primary goal is employability training; get kids money and some skills; emphasized they're not aiming for placement	placement in construction trade; expect 20 to 30% placement rate: employability, personal development, and career awareness; construction skills; sense of entrepreneurship; refurbish agency building

BEST COPY AVAILABLE

Table III-4 (continued)

Program Characteristics	VICI	HUD	YCCIP			
Agency	Operation Open City	Peoples Development Corporation	Banana Kelly	OIC	University Settlements	Prospect Heights
7. Nature of Work	all weatherization; relatively small scale jobs; mostly owner-occupied homes; trade areas entirely related to weatherization	mostly moderate home rehabilitation on PDC-managed apartment buildings; some landscaping; trade areas included plumbing, carpentry, masonry, electrical, and general maintenance	mostly energy conservation and weatherization of local homes; also, minor home repair and rehabilitation; some landscaping; trade areas included weatherization, carpentry, gardening, brick work, pipe repair, clean-up, painting, and sheetrocking	minor housing repair and rehab; run down apartment buildings and private homes; trade areas included electrical maintenance, carpentry, painting, roofing maintenance, concrete and masonry, heater maintenance, plumbing and pipe-fitting, reading blueprints	light repair and maintenance of agency's old seven story building; completely in-house; trade areas include painting, plastering, light plumbing, some weatherization, and general maintenance; heavy emphasis on painting	rehab of old (1895) school building serving as agency headquarters; trade areas include painting, clean-up, electrical repair, landscaping, rebuilding furniture, light carpentry, some concrete work, weatherization, and general maintenance; heavy in painting and clean-up; low skill level training
8. Key Program Features						
A. training and support services	initial 6 week orientation on basic training; all OJT; very limited support services	95% OJT, 5% classroom training; voluntary GED; formal counseling services	all OJT, some classroom training; 3 month probationary period; some GED preparation; skill-related basic education; counseling by staff; few support services	30% OJT, 30% classroom training; 3 month probationary period; some GED preparation; skill-related basic education; counseling by staff; few support services	mix of OJT and classroom; heavy support services; intensive personal and career counseling; GED referrals to other agency; recreational facilities	mix of classroom training and OJT; classroom for 2 hours each day; informal counseling by staff and peers; GED referrals
B. placement services	very limited; some job referral through RTP	high emphasis through counselor; some placement into PDC, itself	very little; some general job counseling by staff	no formal activities	no job development; job referral service, in-house	heavy emphasis by regular staff; expect some internal placement; linkage with New York Urban Coalition
C. retention and attendance	average turnover and attendance; estimated 20% above absenteeism per day	high turnover and severe attendance problems	high turnover and large attendance problems	fairly low turnover; few participants pushed out; poor attendance and excessive lateness	extremely low turnover; attendance excellent; only occasional lateness	low turnover; initial attendance problems, but got better

BEST COPY AVAILABLE

Table III-4 (continued)

Program Characteristics	VICI	HUD	YCCIP			
Agency	Operation Open City	Peoples Development Corporation	Banana Kelly	OIC	University Settlements	Prospect Heights
D. discipline	formal policy, not adhered to for first half of project; stricter during final months	severe discipline problems; e.g., termination as a last resort; procedures don't seem too strict	somewhat strict; e.g., week suspension for absence; dismissal for drugs	very informal policy; discipline poor	formal set of policies, but rarely used; no major discipline problems	strict discipline policy; staff threatens but rarely terminates for violations
E. linkages	several planned, though most fell through; limited linkage with BRASH, Neighborhood Engage, RTP, Alfred E. Smith Vocational High School, Board of Education, Carpenters, Plumbers, and Plasterers Unions	Alfred E. Smith Vocational High School; Mobi-Centrics; RTP; State Division for Youth; National Alliance for Businessmen; unsuccessfully tried for linkage with trade unions	N.Y. Department of Energy (for materials); Social Security Office; Legal Aid Office; Peoples Development Corporation; various other community agencies	limited link with downtown OIC office	in-house linkages with other components	Kingsborough Community College (GED); New York Urban Coalition (placement); various other local agencies
F. general staffing	program director, field manager, 3 tenant service coordinators, secretary, truck driver, bookkeeper, part-time forms specialist, 10 journeymen	program director, administrative assistant, counselor, construction superintendent, 7 or 8 work supervisors	program director, 3 work supervisors, other support from agency; 2 FTE funded by YCCIP; remainder is in-kind contribution	program director, 2 teachers (who also have some counseling and supervisory experience, two work supervisors, secretary; some in-kind back-up from downtown OIC	program director, assistant director, counselor, work supervisor, foreman; work supervisor and counselor full-time, others part-time; much in-kind support from other agency staff	program director, youth supervisor, assistant supervisor, all full-time
G. youth supervision	about 6:1 ratio, sometimes lower; mostly union journeymen as supervisors	about 10:1 ratio; non-union supervisors, varied levels of experience	about 7.5:1 ratio	about 10:1 ratio; supervisors have some construction experience, director has youth and teaching experience	about 7:1 ratio; foreman formerly HS teacher with home repair as hobby	about 8:1 ratio
9. Other	program director fired half way through program; several serious operating problems; agency has proven track record and long history in construction	program had many administrative problems; agency was in serious trouble mid way through program	agency seems to have a lot of political savvy	YCCIP program one of largest in New York; budget cut almost in half in second year of project	program emphasizes employability training, not placement; agency not really committed to YCCIP concept	

BEST COPY AVAILABLE

Table III-5

Philadelphia Interprogram Summary of Program Characteristics

Program Characteristics	VICI	Prime Sponsor YCCIP Programs		
1. Program Operation	Franklin Foundation	People Engaged in the Rehabilitation of Community and Youth (P.E.R.C.Y.)	Haverford Community Center	Simmons Youth Development Guild (SYDC)
2. Program Timelines	October, 1978-March, 1980	November, 1978-September, 1979	November, 1978-September, 1979	September, 1978-September, 1979
3. Prior Experience in Youth Construction Programs	little experience with youth programs, but worked in area of housing rehabilitation with construction unions	None	None	some in electrical work, carpentry and landscaping through Neighborhood Youth Corps summer programs
4. Recruitment and Selection of Participants	referrals from Pa. State Employment Service; GATB test administered but results not used much for selection purposes	distribution of flyers; referrals from State Employment Office, OIC, and Negro Trade Union League Council; radio and television ads; selection criteria: school dropout, otherwise non-specific	distribution of posters and flyers; selection criteria: initially a medical exam, GED, local residence	Progress for Human Services was main referral source; some participants came from other SYDC programs. Final selection made by SYDC Executive Director based on personal interview; important selection criteria: motivation to work
5. Average # Slots	50-54	15-19	13-16	20-24
6. Program Goals	return to school; skill training in construction trades; employment experience); less emphasis on job placement	instill positive attitudes toward work and develop appropriate work habits; community renovation through home repair	demonstrate proper work habits; less emphasis on job placement	employment, hopefully in areas of training; improvement in math and reading basic skills
7. Nature of Work	gut rehabilitation of large two-family row homes and major emergency home repair; trades included carpentry, plastering, roofing, electrical, masonry, and painting	combination of painting, carpentry, electrical, masonry, brickwork and plumbing repair; emphasis on minor repairs; work completed on a few homes and the project headquarters	primarily exterior painting and a little weatherization on private row homes - work completed on over 100 homes	mostly home repair work in carpentry and electric

BEST COPY AVAILABLE

Table III-5 (continued)

Philadelphia Interprogram Summary of Program Characteristics

Program Characteristic	VICI	Prime Sponsor YCCIP Programs		
Agency	Franklin Foundation	P.E.R.C.Y.	Haverford	SYDC
8. Key Program Features				
a. Training and Support Services	math instruction; personal counseling by program staff; referrals made to other agencies for reasons of health, legal and housing problems; some job development and job readiness counseling provided	GED preparation classes provided by outside agency; youth counseling provided by Director; some job development and job counseling	classroom training on mechanics of painting; informal counseling provided by staff; some job development	4 hours of classroom training/week to learn mechanics of trades; GED preparation classes provided by outside agency; informal personal counseling by Director
b. Placement Services	less emphasis on job placement	some job placement effort but emphasis on aiding youths to find own jobs	some systematic job placement effort	informal job placement by Director and supervisory staff
c. Retention and Attendance	moderate turnover; relatively high absenteeism	major attendance problems initially	absenteeism and lateness a problem with new trainees; turnover relatively low	low rate of absenteeism but consistent
d. Discipline	initially lenient; later very strict; several participants fired because of attendance problems	general rules set and enforced by trainees; relatively strict; some participants fired	docked pay for lateness; suspension after 3 latenesses; termination used as last resort	not strict; discipline problems dealt with by Director; termination used as last resort
e. Linkages	Philadelphia Housing Development Corporation; Office of Housing and Community Development; Philadelphia School District; Franklin Learning Center; Bureau of Employment Security; Settlement Houses; Philadelphia Building and Construction Trades Council; Roofers, Carpenters, Electricians, Plasterers, and Painters Locals	OIC, State Employment Office, Negro Trade Union League Council; Institute for Learning; Office of Housing and Community Development	Negro Trade Union League Council; Institute for Learning; 12 Intake Centers; PAAC; IHD	Institute for Learning; Progress ofr Human Services; Office of Housing and Community Development

BEST COPY AVAILABLE

Table III-5 (continued)

Philadelphia Interprogram Summary of Program Characteristics

Program Characteristic	VICI	Prime Sponsor YCCIP Programs		
Agency	Franklin Foundation	P.E.R.C.Y.	Haverford	SYDG
g. General Staffing	project director; construction-manager; job foremen; 10 union journeymen, counselor; assistant counselor, record clerk; fiscal officer	program director; 3 supervisors, 1 secretary	project director; 2 supervisors; bookkeeper; maintenance person; employment counselor	project director; general foreman; electrical supervisor; carpenter foreman; financial secretary
h. Youth Supervision	6:1 ratio; union journeymen supervisors; roofing subcontractor performed occasional supervision	about 6:1; non-union general contractors performed supervision	About 8:1; experienced non-union supervisors	About 8:1; experienced non-union, retired tradesman
9. Other				

BEST COPY AVAILABLE